



MAHANADI COALFIELDS LIMITED

A Miniratna Company



2012-13

Annual Report & Accounts

Deeper insights into
India's progress

CONTENTS

Sl. No.		Page No.
1.	Management/Bankers/Auditors	1
2.	Notice	4
3.	Chairman's Statement	5
4.	Directors' Report	9
5.	Report on Corporate Governance	58
6.	Management Discussion and Analysis Report	68
7.	Comments of the Comptroller & Auditor General of India	73
8.	Cost Compliance Report	74
9.	Report on Performance against MoU Parameters	75
10.	Auditors' Report	81
11.	Management Reply to Auditors' Report	86
12.	Balance Sheet as at 31st March, 2013	97
13.	Profit & Loss Statement for the year ending 31st March, 2013	99
14.	Notes forming part of the Balance Sheet and Profit & Loss Statement	100
15.	Cash Flow Statement	153
16.	Consolidated Accounts of MCL and its Subsidiaries	155

Board of Directors

(As on 25th May, 2013)



Shri A. N. Sahay
Chairman-cum-Managing Director

FUNCTIONAL DIRECTORS



Shri A.K. Singh



Shri A.K. Tiwari



Shri K. Biswal

NOMINEE DIRECTORS



Shri S. K. Singh



Shri B. K. Saxena

INDEPENDENT DIRECTORS



Shri Abdul Kalam



Dr. Ashok Kumar

PERMANENT INVITEE



Shri G. D. Brahma

PRESENT MANAGEMENT

(As on 25.5.2013)

CHAIRMAN-CUM-MANAGING DIRECTOR : Shri A. N. Sahay

FUNCTIONAL DIRECTORS : Shri A. K. Singh
Director (Tech/P&P)

Shri A. K. Tiwari
Director (Tech/Op)

Shri K. Biswal
Director (Finance)

OFFICIAL PART-TIME DIRECTORS : Shri S. K. Singh
Joint Secretary, Ministry of Coal
New Delhi.

Shri B. K. Saxena,
Director (Marketing),
CIL, Kolkata

NON-OFFICIAL PART TIME DIRECTORS : Shri Abdul Kalam

Dr. Ashok Kumar

PARMANENT INVITEE : Shri G. D. Brahma
COM, East Coast Railway,
Bhubaneswar

COMPANY SECRETARY : Shri. A. K. Singh

MANAGEMENT DURING 2012-13

- CHAIRMAN -CUM-MANAGING DIRECTOR** : Shri A. N. Sahay
- FUNCTIONAL DIRECTORS**
- : Shri A.K. Singh
Director(Tech/P&P)
 - : Shri A.K. Tiwari
Director(Tech/Op)
 - : Shri S.C. Padhy
Director(Personnel)
(upto 20.12.2012)
 - : Shri K. Biswal
Director(Finance)
- OFFICIAL-PART-TIME DIRECTORS**
- : Shri S. K. Singh
Joint Secretary, Ministry of Coal,
New Delhi.
 - : Shri B. K. Saxena,
Director (Marketing),
CIL, Kolkata (w.e.f. 9.8.2012)
- NON-OFFICIAL PART-TIME DIRECTORS**
- : Shri M.B. Sridharan
 - : Dr. A.K. Rath
 - : Dr. Ashok Kumar
 - : Shri Abdul Kalam
- PERMANENT INVITEE**
- : Shri R. B. Das
COM, East Coast Railway,
Bhubaneswar (upto 18.9.2012)
 - Shri G. D. Brahma
COM, East Coast Railway,
Bhubaneswar. (w.e.f. 19.9.2012)
- COMPANY SECRETARY**
- : Shri. A. K. Singh
(w.e.f. 19.11.2012)

Bankers

State Bank of India
UCO Bank
Canara Bank
Punjab National Bank
United Bank of India
Indian Overseas Bank
Union Bank of India
Bank of India
ICICI Bank
Andhra Bank
Bank of Baroda
AXIS Bank
IDBI Bank
HDFC Bank
Central Bank of India
Oriental Bank of Commerce
Allahbad Bank
Syndicate Bank
Corporation Bank

Statutory Auditors

M/s PAMS & Associates.

Chartered Accountants, Bhubaneswar

Branch Auditors

M/s SCM Associates

Chartered Accountants, Bhubaneswar

Cost Auditors

M/s Niran & Co.

Cost Accountants, Bhubaneswar

Branch Cost Auditors

M/s Mani & Co.

Cost Accountants, Bhubaneswar

Registered Office

At/Po. Jagruti Vihar, Burla,
Sambalpur - 768 020, Odisha
Website : www.mcl.gov.in

NOTICE

TWENTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of Mahanadi Coalfields Limited will be held at 11.00 AM on Saturday the 25th May, 2013 at Registered Office of the Company, At/Po-Jagruti Vihar, Burla, Sambalpur-768020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Accounts for the year ended 31st March, 2013, Report of the Auditors thereon and Directors' Report.
2. To declare Dividend.
3. To appoint Directors in place of Shri Shailesh Ku. Singh, Director and Shri B.K. Saxena, Director who retire in terms of Article 34 e (iii) of the Articles of Association of the Company and are eligible for re-appointment.
4. To sanction remuneration, as decided by the Board, payable to M/s PAMS & Associates, Chartered Accountants, Bhubaneswar, the Principal Auditor and M/s SCM Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor who were appointed by the C&AG of India for the Financial Year, 2012-2013.

"RESOLVED that pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, the sanction be and is hereby accorded for payment of remuneration and reimbursement of T.A. & out of pocket expenses as decided by the Board of Directors to M/s PAMS & Associates, Chartered Accountants, Bhubaneswar, the Principal Auditor and M/s SCM Associates, Chartered Accountants, Bhubaneswar, the Branch Auditor in connection with the audit of Accounts of the Company for the financial year 2012-13."

By order of the Board of Directors
For Mahanadi Coalfields Limited

Sd/-

(A.K. Singh)

Company Secretary

REGISTERED OFFICE:

Jagruti Vihar, Burla, Sambalpur - 768020

NOTE:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- 2) The Shareholders are requested to give their consent for calling the Annual General Meeting at a shorter notice pursuant to the Provisions under Section 171(2)(i) of the Companies Act, 1956.

CHAIRMAN'S STATEMENT

Friends,

It gives me immense pleasure in welcoming you to the 21st Annual General Meeting of Mahanadi Coalfields Limited. The Report of the Directors, Audited Accounts for the year 2012-13 combined with the Report of the Statutory Auditors and the Report and Review of the Comptroller & Auditor General of India are already circulated to you. With your permission, I would like to take them as read.

Demand of energy being incessantly high, corresponding demand on coal is equally high with an urgent requirement in the enhancement of production of coal as well as its uninterrupted supply. As the Nation counts on us as a coal producer, your Company cannot afford to be complacent.

1. Performance highlights

Your Company's overall performance remained impressive during 2012-13. Improvements have been observed in almost all aspects of financial and non-financial performance. The fact that your Company has acquired much stronger growth momentum in the recent past makes this occasion very special. Production of raw coal during 2012-13 was 107.894 Million Tonne (Mt.) as against 103.12 Mt. produced in 2011-12 with a growth of 4.63%. Overburden removal during 2012-13 was 90.36 M.Cu.M as against 85.66 M.Cu.M in 2011-12. Off-take of raw coal also witnessed upward trend reaching from 102.527 Mt. in previous year to 111.964 MT this year, which shows a growth of 9.20%.

MCL has recorded pre-tax profit of ₹6202.48 Crore in 2012-13 against a pre-tax profit of ₹5463.69 Crore last year and total dividend paid to Govt. of India is ₹2529.45 Crore i.e ₹13,500/- per share of ₹1000/- each registering thereby, a growth of 6.07% in net Sales, 13.52% in PBT, 13.56% in PAT and 13.60% in Dividend over last year. Your Company continued to be a major contributor to the Central and State Ex-chequer by paying ₹3215.95 Crore in the last fiscal.

2. Project Profile

MCL has undertaken many projects but it is the project management proficiency that makes the whole difference in propelling the Company to greater heights. There are 49 sanctioned mining projects in MCL. The ultimate production capacity of these sanctioned projects is 205.36 Mty with a sanctioned capital outlay of ₹6287.46 Crore, out of which 31 projects have been completed with a capacity of 88.58 Mty and sanctioned capital outlay of ₹2605.43 Crore. Out of the 31 completed projects, 2 have been exhausted (Balanda OCP and Basundhara-East OCP). There are 18 on-going projects with a capital outlay of ₹3682.03 Crore with an ultimate capacity of 116.78 Mty. There are 18 completed non-mining projects with a total capital outlay of ₹257.20 Crore and 22 on-going non-mining projects which include some of the important infrastructural projects with a total capital outlay of ₹3407.16 Crore. As a forward looking Company, MCL believes that its infrastructural base needs to be strengthened by setting up CHP/SILOs, RLS, Concrete Transport Roads and Railway Sidings etc.

3. Diversification

Transformation at MCL is about institutionalising the competencies and capabilities of our organisation and people, expanding the breadth and efficiency of our businesses and to create value for all our stakeholders. Transformation at MCL is to reinvent ourselves to take on the new challenges that lie ahead of us and to harness the tremendous opportunities on our continuous path of value creation.

Towards gainful utilization of coal deposit at Basundhara, Sundergarh, your Company has envisaged coal-based Thermal Power Plant of 1600(2X800) MW with super-critical technology. Mahanadi Basin Power Limited (MBPL) formed for this purpose has achieved several milestones towards installation of power plant. For example, EIA study has been completed and coal linkage has been accepted by MoC. MoEF has already accorded Terms of Reference (ToR) clearance on 09.01.2012 to go ahead with power project. Water Resources Department (WRD) of the Govt. of Odisha has been approached for water allocation to the project. The same is under active consideration of the State Government.

Long awaited 220 KW Power Transmission line from Budhipadar to Basundhara area has become operational during the 2012-13 relieving the Area from power crisis. Now Basundhara Area is getting un-interrupted power supply from Garajanbahal power station.

Your Company ventured into Power Transmission Business in the State of Odisha for better utilisation of surplus fund along with infrastructure in the State of Odisha. Accordingly, a Joint Venture Company namely, Neelanchal Power Transmission Company Private Limited has been formed with Odisha Power Transmission Company Ltd.

Your Company is going to install 2MW Photovoltaic Solar Power Plant at Anand Vihar, Burla, Sambalpur shortly to mark its presence in renewable energy sector.

4. Management By Value

MCL's process innovations and new initiatives are its most critical success factors. It has dared to initiate changes in many business processes in the past right from production to dispatch of coal. MCL pioneers in institution building and it stands apart among other Subsidiaries of CIL when it comes to deployment of surface miner to e-mode of tendering, for procurement and dispatch.

4.1 Product and Service Quality

It has been a constant endeavour for MCL to ensure quality across its entire value chain so that customer satisfaction is maintained. Conventional mining methodologies are being strategically replaced by new technologies. Two washeries are expected to be operational in the near future which will enable us to supply washed coal to our esteemed consumers. Systemic change anticipated in handling and transportation of coal through CHPs and SILOs will ensure appropriate quantity of (-) 100mm coal at a faster rate of loading into rakes. Infrastructure for sampling and GCV determination of coal has been upgraded with procurement of 11 new Bomb Calorimeters.

In the year 2012-13, the Company-wide Integrated Management System (IMS) of your Company was accredited with 9001:2008- Quality Management System, ISO 14001:2004- Environmental Management System and OHSAS 18001:2007- Occupational Health Management System which conformed to all the applicable International Standards.

4.2 Safety

Safety to our workmen is our first priority. During the financial year 2012-13, one case of fatal accident has been reported. The sharp decrease can be ascribed to sincere efforts on the part of the Company to achieve 'Zero Accident'. Our Efforts in this direction inter-alia includes: making available proper safety equipment, training, R&D and strict monitoring of safety related compliances. Your Company strives hard to provide a safe work environment to all its employees and never compromises with safety standards in any mining operation. This has helped us in reducing the number of serious injuries to 06 (Six) in the financial year 2012-13 as compared to 10(Ten) in previous year.

Further, to overcome any un-anticipated happening during mining operation, your Company has fully equipped all its rescue stations and has deployed sufficient rescue trained workforce. Your

Company firmly believes that safety and productivity cannot be separated and tries to strike a fine balance between production as well as safety at work place.

4.3 Corporate Governance

The year under report was another excellent year as far as Corporate Governance is concerned. Implementation of DPE Guidelines has been relatively more wide spread and deep rooted compared to the previous year. All the Board Sub-committees that are assigned with specific roles have been performing at their best and providing necessary support to the Board. There has been marked change in the Board effectiveness due to fast decision making, auditing and reporting system being in place. Your Board is focused towards long-term sustainability of the Company and towards that end is committed to provide ethical and responsible leadership to the maximum possible extent.

Believing that 'Good Governance' is the hallmark of successful Companies, MCL endeavours to incorporate best practices relating to Corporate Governance into its system.

4.4 Sustainable Mining

MCL's stronger commitment to Sustainable Development (SD) is transforming the firm's foundation that drives all its activities. DPE Guidelines on SD have been taken with utmost sincerity and some alarming issues are being addressed through rain water harvesting, energy conservation, solar power generation, intensive afforestation etc.

Your Company strives hard to hold its public image as a "Green Champion" in the region and in no case intends to lose out the same. Needless to emphasize, MCL has become the first coal producing Company in India to come out with a "Corporate Sustainability Report" also known as "Business Responsibility Report".

4.5 R&R

Your Company is committed to adequately compensate the project affected/displaced families for execution of its projects and has been making considerable efforts to improve their socio-economic status and is also committed for economic progress with social development which is amply reflected in its R&R Policy. Your Company follows R&R Policy of the State of Odisha and has provided 680 employments during 2012-13 as compared to 396 employments during 2011-12 and total number of 11063 employments since inception. Resettlement colonies have been set up with pucca roads, street lights, health centres, post offices, daily markets, schools, community centres, worshipping places etc. to ensure healthy community living. MCL provides OPD facility to all peripheral villagers in its existing hospitals/dispensaries at a nominal charge of ₹2.00 per patient.

The Company has also introduced new schemes like Co-operative societies for PAPs, higher compensation for resettlement, higher lump-sum amount/annuity scheme in lieu of employment etc.

4.6 CSR

Your Company is fully aware of its corporate social responsibilities and reaffirms the corporate motto of 'Growing with Surroundings' which goes in sync with the national agenda of 'Inclusive Growth'. Being geographically scattered as well as expandable, it is imperative that indigenous communities get affected by the Company's operations. Your Company believes that trustworthy relationship with the

host communities leads to mutual development with greater satisfaction. MCL's impeccable track record as a socially responsible Company is once again well proven with range of CSR activities going multi-fold along with increasing budgetary allocation every year.

MCL has allocated ₹51.55 Crore for the year 2012-13 @ ₹5/- per tonne of coal produced in the year 2011-12 towards CSR activities as per CIL and MCL's CSR policy. This comes to 1.39% of the profit of the Company after tax.

MCL has taken planned steps to widen the CSR activities. The total value of activities taken up under CSR is ₹167.67 Crore.

5. Expectation

We hope that the way we build around our resources and capabilities will certainly bring us more success in the years to come and by continuously doing so we can meet the expectation of our numerous stakeholders including the expectation of the Nation.

6. Acknowledgement

I express my most sincere thanks to all the shareholders of the Company, Ministry of Coal, Govt. of India, Coal India Limited, various Central Government Authorities, State Government Authorities, People's Representatives, Local Bodies, all Employees and their Unions, our Valued Customers, Suppliers and Media for their timely support and co-operation.

Sambalpur
Date: 17.05.2013

Sd/-
(A. N. SAHAY)
Chairman-cum-Managing Director

DIRECTORS' REPORT

To
The Shareholders,
Mahanadi Coalfields Limited

Dear Shareholders,

I have great pleasure in presenting on behalf of the Board of Directors, the 21st Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2013 along with the report of the Statutory Auditors and the comments of the Comptroller & Auditor General of India.

Your Company had an overall successful year with positive growth recorded on almost all fronts.

2. ORGANISATION

2.1 The coal reserve of Mahanadi Coalfields Limited is spread over two Coalfields viz., Talcher and IB Valley with Ten (10) operating Areas consisting of Seven (7) Underground and Sixteen (16) Open Cast Projects. The operating Areas are as under:

A. Talcher Coalfields

- (i) Jagannath Area
- (ii) Bharatpur Area
- (iii) Hingula Area
- (iv) Lingaraj Area
- (v) Kaniha Area
- (vi) Talcher Area

B. IB Valley Coalfields

- (i) Lakhanpur Area
- (ii) IB Valley Area
- (iii) Basundhara-Garjanbahal Area
- (iv) Orient Area

2.2 Besides, MCL has formed three Subsidiary Companies and one Joint Venture Company respectively in the recent past, namely :

- i) MNH Shakti Limited
- ii) MJSJ Coal Limited
- iii) Mahanadi Basin Power Limited (SPV)
- iv) Neelanchal Power Transmission Company Pvt. Limited. (JV)

3. HIGHLIGHTS OF PERFORMANCE

- The Company achieved all time high Gross Sales Value of ₹13190.42 Crore against the previous year's Gross Sales of ₹12068.60 Crore, registering a growth of 9.29% over previous year.
 - The coal production during the year is 107.894 Mt against previous year's production 103.12 Mt registering an increase of 4.63% over the previous year.
 - The productivity in terms of output per manshift (OMS) is 21.34 tonne in Opencast Mines increased by 4.71% and 0.97 tonne in underground mines decreased by 21.77% as compared to previous year. The overall OMS of the current year is 16.07 tonne as compared to 15.36 tonne in previous year indicating a inclining growth of 4.62%.
 - The Profit Before Tax (PBT) for the year is ₹6202.48 Crore against previous year's PBT of ₹5463.69 Crore registering a growth of 13.52%.
 - The Company has been consistent in payment of dividend since last eight years. The interim dividend of ₹500.52 Crore has been paid on Equity Share Capital. Further, ₹1028.93 Crore has been proposed as final dividend on paid up Equity Share Capital thereby registering a hike in dividend payout by ₹302.90 Crore over the dividend paid for the previous year.
- ### 4. PRODUCTION PERFORMANCE
- (a) Production performance of MCL for the financial year 2012-13 as compared to the target and achievement of the previous year is given below:

(Figs. In Mt)

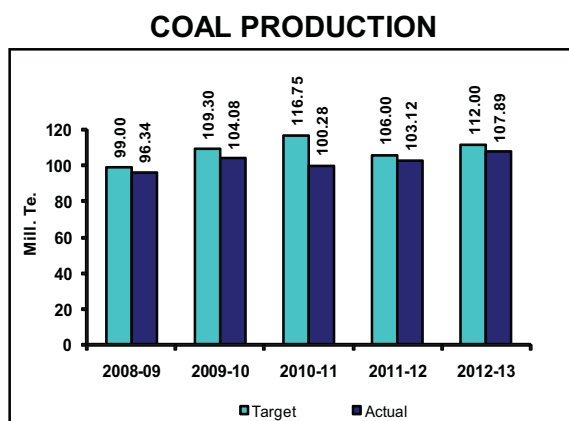
Production	2012-13		2011-12		% Age against Target	% Age Growth Over Last Yr.
	Target	Actual	Target	Actual		
(i) Coal (MTe)						
Open-cast	109.55	106.22	103.60	100.93	96.96	5.24
Underground	2.45	1.68	2.40	2.19	68.50	-23.22
Total (OC+UG)	112.00	107.89	106.00	103.12	96.33	4.63
(ii) OBR(MM³)	105.00	90.361	100.00	85.67	86.06	5.48

(b) Production performance for last five years (incl. 2012-13) is appended below :

(i) Total Coal Production

(Figs. In Mt)

Financial Year	Target	Achievement	Growth over last Year		%age Achievement against Target
			Absolute	%age	
2008-09	99.00	96.34	8.32	9.50	97.31
2009-10	109.30	104.08	7.74	8.00	95.22
2010-11	116.75	100.28	-3.80	-3.70	85.89
2011-12	106.00	103.12	2.84	2.80	97.28
2012-13	112.00	107.89	4.78	4.60	96.30



(ii) Coal Production by Surface Miner

(Figs. In Mt)

Financial Year	Production	Growth over last Year		%age share of coal Production by S. Miner of the Total Coal Prodn.
		Absolute	%age	
2008-09	44.20	2.59	6.20	45.88
2009-10	50.52	6.32	14.30	48.54
2010-11	54.92	4.39	8.70	54.76
2011-12	59.13	4.21	7.70	57.34
2012-13	73.84	14.71	24.88	68.44

Coal production by surface miners has positive growth over the respective preceding years. In 2012-13, the production is 73.84 Mt (68.44% share of the total coal production) and has 24.88% growth over 2011-12.

(iii) OB Removal

(Figs. in M.Cum.)

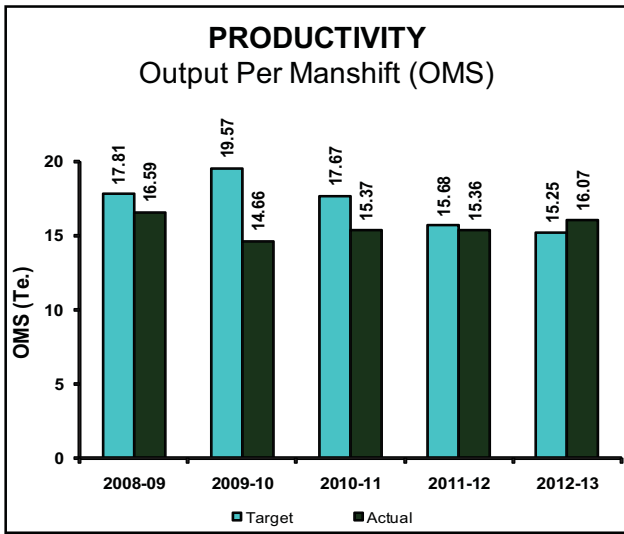
Financial Year	Target	Achievement	Growth over last year		%age Achievement against Target
			Absolute	%age	
2008-09	70.00	51.85	-2.71	-4.96	74.07
2009-10	86.00	66.07	14.22	27.43	76.83
2010-11	74.00	88.70	22.63	34.25	119.87
2011-12	100.00	85.67	-3.04	-3.42	85.67
2012-13	105.00	90.36	4.69	5.49	86.06

Target of Coal production and OB removal in 2012-13 could not be achieved mainly due to Land, R&R and Env't./Forestry clearance related problems. Coal production at Lajkura OCP, IB Valley Area was totally stopped for around 202 days (September, 2012 to March, 2013) and in Orient Area (UG) for around 19 days (in September, 2012) as per the directives of Mining Deptt, Govt of Odisha, Sambalpur on Environment clearance related issues. Overall growth of coal production in 2012-13 over last year is 4.63% and that of OBR is 5.48%; however UG coal production has (-) ve growth of 23.22% due to the above mentioned reasons.

5. PRODUCTIVITY

Your Company has also achieved productivity in terms of output per manshift (OMS) as under:

Productivity	Fig.in Tonne/Manshift				
	2012-13 Target MoU	2012-13 Actual	2011-12 Actual	% Achievement against target	% Growth over previous year
Opencast	19.91	21.34	20.38	107.18	4.71
Underground	1.32	0.97	1.24	73.48	-21.77
Overall	15.25	16.07	15.36	105.38	4.62



6. POPULATION AND PERFORMANCE OF HEMM

6.1 The details of availability and utilization of HEMM vis-à-vis target set by CMPDIL and achievement together with the fleet strength are given below:

I. % availability and utilization achieved (figures in absolute) :

Sl.No	Equipment	Population as on		% Availability			% Utilisation		
				April'12 to March'13	April'11 to March'12	CMPDIL Norm	April'12 to March'13	April'11 to March'12	CMPDIL Norm
		31.3.13	31.3.12						
1	Dragline	5	5	74	80	85	57	53	73
2	Shovel	79	77	75	77	80	37	39	58
3	Dumper	385	409	75	78	67	26	27	50
4	Dozer	118	127	67	68	70	27	26	45
5	Drill	94	71	86	85	78	31	42	40
Total		681	689						

II. Working hours achieved :

Sl. No.	Equipment	Working Hours	
		2012-13	2011-12
1	Dragline	19042	20923
2	Shovel	214990	231976
3	Dumper	665504	758402
4	Dozer	215920	222274
5	Drill	111173	130037

III. (a) The availability of Shovels have decreased compared to same period

of last year because the shovels are old. Most of the new higher capacity BEML make shovels of model BE-1600 and Promtractor Dozers are underperforming since installation. 10/60 and 10/70 Draglines were under breakdown.

(b) The utilization have decreased in case of Shovel, Dumper and Drill compared to last year are mainly due to non-availability of land in OCPs, lack of skilled personnel in operation and maintenance, restriction of working hours during Summer and monsoon period and there were frequent stoppage of mines and HEMMs by land oustees who are not entitled for employment.

IV. Steps taken to improve the availability and utilization :

1. Timely surveying-off of major HEMMs and replacement procurement action against such surveyed-off equipment.
2. Top ten breakdown analysis on frequency basis to improve the reliability of equipment.
3. Input of auxiliary equipment and P&M items like cranes, graders, tyre handlers, mobile service van, diesel vouchers etc.
4. Land acquisition, Law and Order problems are being taken up at various forums by MCL management.
5. To improve the technical skill specially for operating and maintaining new model equipment by conducting regular training programmes by OEMs.
6. Maintenance of Haul roads prior to monsoon period.
7. Special attention is being given to operator's comfort. New HEMMs which are being procured are fitted with Air-conditioned cabins. The HEMMs having substantial residual lives are also being fitted with Air-conditioners.
8. Incentive scheme has been introduced for higher productivity.

9. Daily production from HEMMs and their working hours are being closely monitored at Headquarters level.
10. Introduction of OITDS in Lingaraj, Bharatpur and Balaram OCPs.
11. Maintaining various float sub-assemblies in CWSs for replacement in exigency.

V. Breakdown Status of HEMM :

Equipment	Population		Breakdown > 3 months	
	As on 31.3.13	As on 31.3.12	As on 31.03.13	As on 31.3.12
Dragline	05	05	0	0
Shovel	79	77	07	01
Dumper	385	409	40	63
Dozer	118	127	18	15
Drill	94	71	16	16
TOTAL	681	689	81	95

VI. Equipment Rehabilitated at Central Workshops:

Area	2012-13	2011-12
CWS-Talcher	00	03
CWS-Ib Valley	00	00
TOTAL	00	03

7. CAPACITY UTILISATION (OPENCAS PROJECTS)

Sl. No.	Description	CAPACITY (based on 1st April of the year)		Growth over Last Year
		2012-13	2011-12	
1	Departmental Capacity (M.Cum)	96.25	91.21	5.53%
2	System Capacity (M.cum)	203.91	209.66	-2.74%
3	Departmental Production (M.Cum)	56.732	56.016	1.28%
4	Total Production (M.cum.)	155.77	146.469	6.35%
5	Departmental Capacity Utilization	59%	61%	-2.00%
6	System Capacity Utilization	72.60%	70%	2.60%

8. POWER

8.1 **Talcher Coalfields** : Power is received at Nandira 3X20MVA, 132/33kV, Grid

Sub-station through an 11 KM long 132kV Double Circuit over-head transmission line from GRIDCO's Angul Sub-station, under the command area of Central Electricity Supply Utility of Odisha with Contract Demand of 31.0MVA.

8.2 **IB Valley Coalfields** : Power is received at Jorabaga 3X20MVA, 132/33kV, Grid Sub-station through a 19 KM long 132kV Double Circuit over-head transmission line from GRIDCO's Budhipadar Sub-station, under the command area of M/s Western Electricity Supply Company of Orissa Limited (WESCO) with a Contract Demand of 22.25 MVA.

8.3 **Basundhara Coalfields** : Basundhara Area is receiving power from Budipadar Sub-station under the command area of M/s WESCO at 220kV with a Contract Demand of 5 MVA. One of the Transformer of the 3X20MVA, 220/33kV Sub-station at Basundhara was commissioned on 22.11.2012. 220kV Single Circuit over-head transmission line connecting the Basundhara Sub-station from Budhipadar Sub-station (39 Km) of GRIDCO is erected and charged by M/s OPTCL on deposit work basis.

8.4 Availability of Power :

Items	2012-13	2011-12
Contract Demand (MVA)	59.65	56.00
Maximum Demand (MVA) (Highest in a month during FY)	56.21	57.70
Energy Consumed (Million KWh)	307.33	307.33
Specific Energy Consumed (KWh/Tonne)	2.85	2.98
Energy Bills Paid (₹ in crore)	168.17	158.84

9. POPULATION OF MAJOR UNDERGROUND EQUIPMENT OF MCL

9.1 The population of major underground equipment and their availability during the year as compared to previous year are given hereunder :

Sl. No.	Name of the equipment	No. on Roll		2011-12		2010-11	
		2012-13	2011-12	% Avail.	% Util.	% Avail.	% Util.
1	Winder	6	6	83.33	69.00	83.33	90.99
2	Haulage (Main)	29	26	93.10	69.00	95.19	90.99
3	SDL*	21	23	78.25	25.90	71.98	28.94
4	LHD*	32	35	73.22	45.68	67.61	45.33
5	Main Pump	49	43	93.88	69.00	95.35	90.99
6	Vent. Fan	13	12	100.00	69.00	100.00	90.99
7	Belt Conveyor	79	69	98.70	69.00	98.55	90.99
8	Transformer (Power)	84	80	97.6	69.00	91.25	90.99
9	Locomotive	5	5	80.00	69.00	80.33	90.99
10	Coal Drill	89	89	78.65	69.00	91.57	90.99
11	Mine Car	76	76	85.00	69.00	52.63	90.99

For the year 2012-13

Actual UG Prodn. – 16.78302 Lac Tonne
 Target UG Prodn. – 24.500 Lac Tonne

For the year 2011-12

Actual UG Prodn. – 21.802 Lac Tonne
 Target UG Prodn. – 23.960 Lac Tonne

The adopted formulae are as per CIL's norms :

$$\% \text{ Availability} = \frac{\text{Equipment available}}{\text{Equipment on roll}} \times 100$$

$$\% \text{ Utilisation} = \frac{\text{Actual Production}}{\text{Target Production}} \times 100$$

* % Availability = $\frac{H_w + H_i}{H_s} \times 100$ Where,
 H_w = Actual working hours/year
 H_i = Idle hours/year
 H_s = Shift hours/year

* % Utilisation = $\frac{H_w}{H_s} \times 100$ Where,
 H_w = Actual working hours/year
 H_s = Shift hours/year

9.2 Number of Coal Handling Plants and Weighbridges and their functioning points etc.

17.014 Mt of crushed coal was dispatched through CHP during 2012-13 against 22.855 Mt of crushed coal during 2011-12.

	2012-13		2011-12	
	Crushing Capacity in Mty	Coal despatched through CHP (Mt)	Crushing Capacity in Mty	Coal despatched through CHP (Mt)
Coal Handling Plants/Feeder Breakers	41.50	17.014	41.50	22.855
% Utilisation of Crushing Capacity of Plant		41.00%		55.07%

The decrease in crushed coal dispatch through CHP is on account of availability of crushed coal from surface miner.

9.2.1 The functional points of these CHPs are as follows :

Major CHPs

Area	Location of CHP	Capacity (Mty)
Jagannath	Jagannath OCP	2.0
Bharatpur	Bharatpur OCP	3.5
Total		5.5

9.2.2 Mini CHPs/Feeder Breakers

Area	Location of CHP	Capacity (Mty)
Jagannath	Jagannath OCP	4.0
	Ananta OCP	7.0
Hingula	Hingula OCP	2.0
	Balram OCP	4.0
Ib-Valley	Lajkura OCP	2.0
	Samaleswari OCP	5.0
Lakhanpur	Belpahar OCP	2.0
Lingaraj	Lingaraj OCP	7.0
Basundhara	Basundhara OCP	1.0
	Kulda OCP	2.0
Total		36.0

The construction activities of CHP with SILO loading arrangement at Bharatpur siding and Ananta siding is in progress which are likely to be completed by August, 2013 and August, 2014 respectively.

9.3 Details of Weighbridges

Sl.No.	Types of Weighbridges	2012-13	2011-12
1.	Road Weighbridges (Electronic)	77	69
2.	Rail Weighbridges (Electronic)	32	32
3.	% Weighment during the year (By Rail)	98.77	97.65
5.	% Weighment during the year (Overall Weighment)	99.25	98.62

The percentage of overall weighment of Coal dispatched to consumers achieved during 2012-13 is 99.25% against 98.62% for the previous year i.e. an increase of 0.63% whereas total rail dispatch weighment was 98.77% during 2012-13 compared to 97.65% achieved during 2011-12 i.e an increase of 1.14%.

10. CAPITAL STRUCTURE

10.1 The Authorised Share Capital of the Company as on 31.3.2013 continued at ₹500.00 Crore, divided into 2958200 Equity Shares of ₹1000.00 each and 2041800 10% Cumulative Redeemable Preference Shares of ₹1000.00 each.

10.2 The paid up Equity Share Capital of the Company as on 31.3.2013 stands unchanged at ₹186.40 Crore. The entire Equity Share Capital are held by M/s Coal India Limited (CIL) and its nominees.

11. FINANCIAL REVIEW

The Company has recorded the highest ever gross Sales Value of ₹13190.42 Crore against ₹12068.60 Crore of the previous year. The Profit before Tax (PBT) has also gone up to ₹6202.48 Crore from ₹5463.69 Crore in the previous year. Profit after Tax (PAT) for the year is ₹4212.44 Crore. The financial results of 2012-13 as compared to 2011-12 are summarised below :

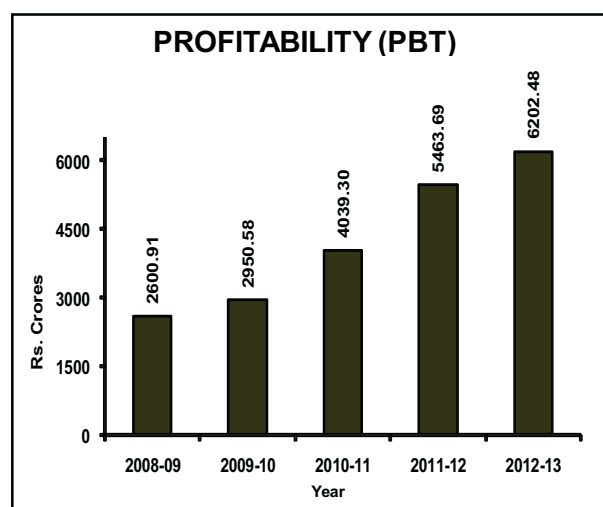
	2012-13	2011-12
Gross Profit (Before Depreciation and Interest)	6447.97	5785.06
Less: Depreciation (Incl. Social Over head depreciation)	240.52	315.99
Interest and Financial Charges	4.97	5.38
Net Profit before Tax	6202.48	5463.69
Less : Provision for Income Tax and deferred tax liability	1990.04	1754.18
Net Profit after Tax	4212.44	3709.51
Less : Transfer to General Reserve	421.24	370.95
Transfer to CSR Reserve	51.56	50.14
Interim Dividend on Equity Shares	1500.52	1006.56
Proposed Dividend on Equity Shares	1028.93	1219.99
Tax on Dividend	418.29	356.68
Profit after above appropriation	787.79	705.19

11.1 Transfer to Reserve

An amount of ₹421.24 Crore, being 10% of Profit after Tax for the year has been transferred to General Reserve.

As per CSR policy of the Company, an amount of ₹51.56 Crore has been transferred to CSR Reserve and an amount equivalent to actual expenditure (i.e ₹25.56 Crore) incurred during the year has been transferred from CSR Reserve to General Reserve.

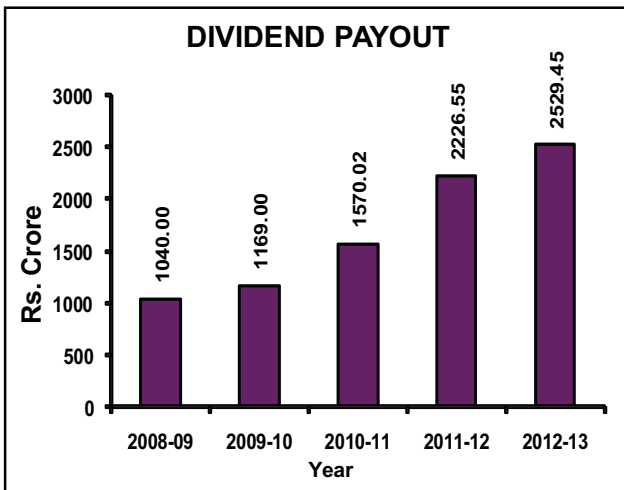
As per Sustainable Development Reserve policy of the Company, an amount of ₹4.11 Crore has been transferred to Sustainable Development Reserve and an amount equivalent to actual expenditure (i.e ₹0.27 Crore) incurred during the year has been transferred from Sustainable Development Reserve to General Reserve.



11.2 Dividend

The Directors are pleased to recommend dividend of 1357.00% (previous year 1194.50%) of the paid up Equity Share Capital for the year amounting to ₹2529.45 Crore (inclusive of interim dividend of ₹1500.52 Crore) for your approval.

The total outflow on account of dividend would be ₹2947.74 Crore comprising ₹2529.45 Crore as dividend and ₹418.29 Crore towards tax on dividend.



11.3 Unsecured Loans

The amount due to Coal India Limited (CIL) and M/s Liebherr France SA, France as on 31.03.2013 stands at ₹118.60 Crore out of which loan of ₹109.88 Crore pertains to IBRD and JBIC (Previously known as JEXIM) and the balance amount due to M/s Liebherr France SA, France, stands at ₹8.72 Crore for supply of four Hydraulic Shovel on deferred credit.

12. INVESTMENT

12.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Company had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value of ₹344.32 Crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDC). During the year, ₹22.70 Crore (Previous year ₹22.70 Crore) has been redeemed resulting in the balance of ₹68.11 Crore as on 31.3.2013.

12.2 Non-current Investments in Equity Shares of M/s MNH Shakti Limited, M/s MJSJ Coal Limited and M/s Mahanadi Basin Power Limited, Subsidiaries of MCL are ₹59.57 Crore, ₹57.06 Crore and ₹0.05 Crore respectively.

12.3 Non-current Investment in 7.55% secured non-convertible IRFC tax free 2021 series 79 bonds, 8% secured non-convertible IRFC bonds, 7.22% secured

non-convertible IRFC tax-free bonds, 7.22% secured redeemable REC tax-free bonds stood on 31.03.2013, at ₹200.00 Crore, ₹108.75 Crore, ₹499.95 Crore and ₹150.00 Crore respectively.

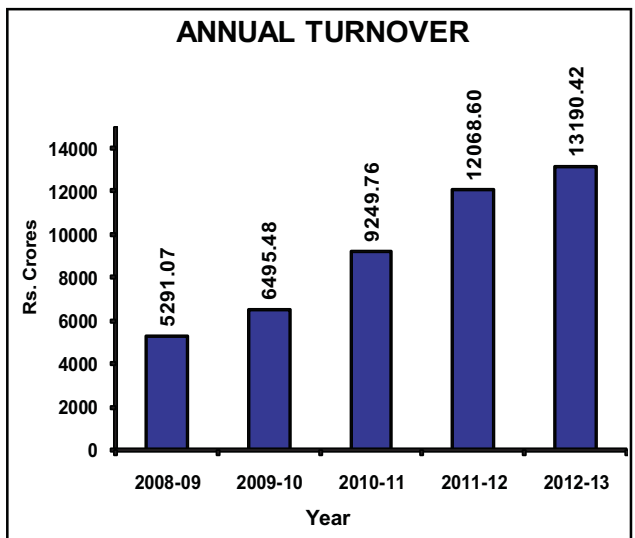
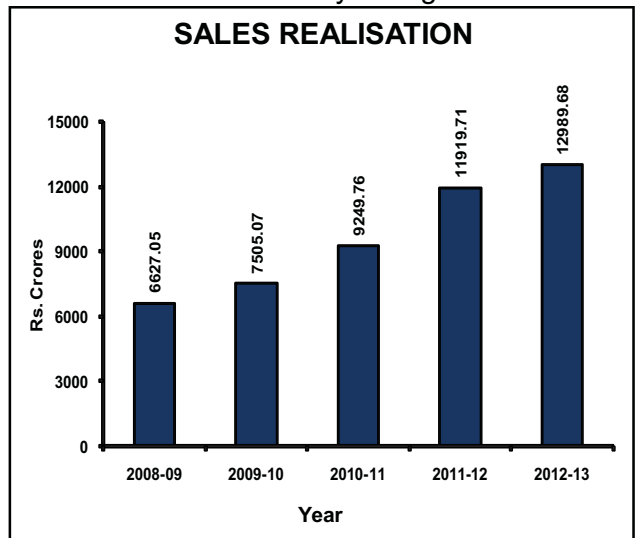
13. CAPITAL EXPENDITURE

Total Capital Expenditure during the year was ₹531.56 Crore against previous year's expenditure of ₹497.95 Crore.

14. SALES REALISATION

14.1 Gross sales of MCL during 2012-13 was ₹13190.42 Crore against ₹12068.60 Crore in 2011-12.

14.2 Total realization during 2012-13 was ₹12989.68 Crore which works out to be 98.48% on current year's gross sales.



15. PAYMENT TO EX-CHEQUER

Your Company continued to be a major contributor to the Central and State Exchequer.

The payment made by the Company on account of Royalty, Sales Tax, Stowing Excise Duty and Entry Tax during the year as compared to the payments made during previous year are as follows:

	[₹ in Crore]	
	2012-13	2011-12
Royalty	1225.06	1027.77
Sales Tax/Odisha VAT	520.40	402.84
Stowing Excise Duty	110.63	99.06
Entry Tax	71.95	67.87
Clean Energy Cess	602.04	494.53
Central Excise Duty	685.87	481.68
TOTAL	3215.95	2573.75

16. PROJECTS FORMULATION/CAPITAL PROJECTS

16.1 Planning

MCL has planned to achieve 120.00 Mt of coal production during the financial year 2013-14. The capital outlay estimated for the year 2013-14 is ₹500.00 Crore, major share of which will be utilized for the procurement of Heavy Earth Moving Machineries (HEMMs), land acquisition and development of infrastructure.

16.2. Research and Development

Three studies namely, (i) Improvement of Specific Diesel Consumption (ii) Improvement of Specific Explosive Consumption (iii) Improvement of Power Factor were undertaken during this year, started at three Opencast Projects of MCL namely Balram, Lingaraj and Bharatpur OCPs.

16.3 Project Formulation

First stage/'in principle' approval of Integrated PR of Lakhanpur-Belpahar-Lilari OCP has been approved by MCL Board in its 144th meeting held on 05.12.2012 and is under implementation.

First stage/'in principle' approval of Garjanbahal OCP has been approved by MCL Board in its 144th meeting and is under implementation.

16.4 Capital Projects

There are 49 sanctioned mining projects in MCL. The ultimate production capacity of these sanctioned projects is 205.36 Mty. with a sanctioned capital outlay of ₹6287.46 Crore, out of which 31 have been completed with a capacity of 88.58 Mty and sanctioned capital outlay of ₹2605.43 Crore. Out of the 31 completed projects, 2 have been exhausted (Balanda OCP and Basundhara-East OCP). There are 18 on-going projects with a capital outlay of ₹3682.03 Crore with an ultimate capacity of 116.78 Mty.

16.5 Completed Projects : 31 Nos.

Sl. No.	Name of the Project	Capacity (Mty)	Sanctioned Capital (₹. in Crore)	Completed in the year
1.	Ananta O/C	4.00	156.49	03/95
2.	Ananta O/C Expn. Ph-I	1.50	46.99	03/97
3.	Ananta O/C Expn. Ph-II	6.50	35.88	03/07
4.	Balanda O/C *	1.00	36.87	03/84
5.	Balaram O/C (Previously Kalinga OCP)	8.00	345.96	03/00
6.	Bharatpur O/C	3.50	158.97 (RCE)	03/91
7.	Bharatpur O/C Expn Ph-I	1.50	48.02	03/98
8.	Chhendipada O/C	0.35	19.75	03/07
9.	Hingula-II O/C	2.00	48.57	03/02
10.	Hingula –II O/C Expn. Ph-I	2.00	89.78	03/09
11.	Hingula –II O/C Expn. Ph-II	4.00	35.67	03/09
12.	Jagannath O/C / Jagannath Extn.	4.00	66.71	03/91
13.	Jagannath O/C Expn. Ph-II	2.00	4.95	03/08
14.	Lingaraj O/C	5.00	229.84	03/98
15.	Lingaraj O/C Expn Ph-I	5.00	98.89	03/07
16.	Lingaraj O/C Expn. Ph-II	3.00	2.18	03/08
17.	Nandira U/G (Augmentation)	0.33	17.95	03/95
18.	Belpahar O/C	2.00	131.31 (RCE)	03/94
19.	Belpahar O/C Expn. Ph-I	1.50	35.47	03/07
20.	Lajkura O/C	1.00	38.98 (RCE)	03/91
21.	Lakhanpur O/C	5.00	221.51	03/00
22.	Lakhanpur O/C Expn. Ph-I	5.00	98.74	03/10
23.	Lakhanpur OCP Expn. Ph-II	5.00	116.54	03/11
24.	Lilari O/C	0.80	19.78	03/92
25.	Samaleswari O/C	3.00	126.85	03/96
26.	Samaleswari O/C Expn. Ph-I	1.00	28.69	03/07
27.	Samaleswari O/C Expn. Ph-II	1.00	13.38	03/07
28.	Samleswari O/C Expn. Ph-III	2.00	87.95	03/09
29.	Basundhara East O/C*	0.60	19.69	03/98
30.	Basundhara (West) O/C	2.40	176.55	03/07
31.	Basundhara (West) Expn.	4.60	46.52	03/11
TOTAL		88.58	2605.43	

*Projects has been exhausted.

16.6 On going Projects : 18 Nos.

Sl. No.	Name of Projects	Capacity in Mty.	Capital (₹crores)	Scheduled date of completion	Anticipated date of completion
1	Ananta OCP Expn. Ph-III	3.00	207.28	03/12	03/14
2	Bharatpur OCP Expn., Ph-II	6.00	95.87	03/11	03/14
3	Bharatpur OCP Expn. Ph-III	9.00	131.39	03/10	03/14
4	Balram OCP Extension.	0.00 *	172.08	03/10	03/15
5	Bhubaneswari OCP	20.00	490.10	03/16	03/17
6	#Gopalprasad OCP,MJSJ Coal Ltd.-JV Company (60% share of MCL)	15.00	395.87	03/15	03/15
7	Hingula-II OCP,Expn. Ph-III	7.00	479.53	03/13	03/15
8	Lingaraj OC Expn.Ph-III	3.00	52.25	03/12	03/14
9	Jagannath U/G	0.67	80.75	03/10	03/15
10	Kaniha OCP	10.00	457.77	03/13	03/15
11	Natraj U/G	0.64	92.11	03/08	03/15
12	Talcher (W) U/G	0.52	85.08	03/10	03/15
13	HBI UG (Augmentation)	0.95 (0.42 incremental)	105.78	03/10	03/14
14	Kulda OCP	10.00	302.96	03/12	03/14
15	Lajkura OCP Expn. Ph-I	1.50	43.27	03/12	03/14
16	#Talabira OCP,MNH Shakti Ltd.-JV Company (70% share of MCL)	20.00	447.72	03/16	03/16
17	Belpahar O/C Expn. Ph-II	4.50	14.40	03/14	03/14
18	Samleswari O/C Expn. Ph-IV.	5.00	27.82	03/12	03/15
Total		116.78	3682.03		

* This is the extension of original Balaram OCP (8.00 Mty) annexing additional area. Hence, there will be no further capacity addition.

Gopalprasad and Talabira are JV Projects and MCL's share in these two projects are 9.00 Mty and 14.00 Mty respectively.

16.7 The following Project Reports have been prepared and approved during 2012-13

Sl. No.	Name of the Project	Capacity (Mty.)	Capital (₹ Cr.)	Remarks
1.	Integrated PR of Lakhanpur-Belpahar-Lilari OCP	30.00	Will be approved during second stage/final approval	First stage/"in principle" approval of PR of Lakhanpur-Belpahar-Lilari OCP has been approved by MCL Board and it is under implementation.
2.	Garjanbahal OCP	10.00	Will be approved during second stage/final approval	First stage/"in principle" approval of PR of Garjanbahal OCP has been approved by MCL Board and it is under implementation process.

16.8 Advance Action Proposals: - 02 Nos.

Sl. No.	Name of Project	Ultimate Capacity (Mty.)	Estimated Capital Outlay (₹ Cr.)
1.	Garjanbahal OCP	10.00	291.95 (April'06)(Coal and OB Contractual var.)
2.	Kaniha-II OCP	10.00	732.13 (Sept.'06) (Coal Contractual Var.)
Total:-		20.00	1024.08

16.9 Non-Mining Projects :

There are 18 completed non-mining projects with a total capital outlay of ₹ 257.20 Crore. Brief details of the same are as under :

A. Major Completed Non-Mining Projects

Sl. No.	Name of the Project	Date of approval	Sanctioned Capital (₹ Cr.)
1.	Central Workshop, Ib-Valley	11.08.89	13.32
2.	Power supply scheme Phase-I, Ib-Valley	22.08.91	33.35
3.	Regional Stores, Ib Valley	26.11.85	3.33
4.	Training (Excv.) Institute, Ib-Valley	13.07.89	5.25
5.	Water Supply scheme, Ib-Valley	19.07.91	4.83
6.	Central Hospital, Talcher	08.05.87	14.28
7.	Central Workshop, Talcher	25.03.89	17.83
8.	Integrated Telecommunication System, Talcher	26.04.91	2.90
9.	Integrated Telecommunication System, Ib-Valley	26.04.91	2.37
10.	Power supply scheme, Talcher, Phase-I	25.03.89	19.98
11.	Water supply scheme at Talcher, Phase-I	11.01.83	5.83
12.	Integrated Water Supply Scheme Phase-II for Talcher Coalfield	06.05.91	7.88
13.	Augmentation of Central Workshop, Talcher	22.03.00	21.37
14.	Augmentation of Central Workshop, Ib Valley	22.03.00	10.66
15.	Construction of Railway line linking Kalinga CPP to existing Jagannath Spur 3&4	13.11.98	11.18
16.	Construction of balance railway line work of Bharatpur CPP yard, South Balanda connection and remodelling of South Balanda yard.	13.11.98	13.81
17.	Arterial Road for Ib valley and Talcher CF- (2 Projects)	02.03.90	37.70 (17.80 + 19.90)
18.	Widening & Strengthening of Road from Sundergarh to Dudka Chowk of Basundhara Area	22.02.99	31.33
TOTAL : 18 Projects			257.20

B. Major Ongoing Non-mining Projects

There are 22 major ongoing non-mining projects with a total capital outlay of ₹ 3407.16 Crore. Brief details of the same are as under

Sl. No.	Name of the Project	Capital Outlay (₹ Cr.)
1.	Improvement and strengthening of Balinga-Himgir-Belpahar road.	42.32
2.	Construction of 4 Lane 18 Mtr. wide and 41.5 KM long road at Talcher Coalfields.	251.35
3.	Construction of 4 Lane dedicated coal corridor from Bankibahal to Bhedabahal (on SH-10) in Sundergarh District.	385.00
4.	Construction of diversion road from check post of Lingaraj OCP to NH-200 for a length of 2.30KM with 01 flyover and 01 ROB.	136.00
5.	Construction of ROB at the levelcrossing near Ghantpara Village at Talcher	37.50
6.	Widening of road from 2 Lane to 4 Lane from Bankibahal to Kanika Railway Siding, Length- 27 KM	162.00
7.	SILO loading arrangement at Lingaraj OCP for 16 Mty.	237.00
8.	All CT roads in Basundhara Garjanbahal Area inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	22.96
9.	All CT roads in IB Coalfields inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	94.22
10.	All CT roads in Talcher Coalfields inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	179.00
11.	Construction of bypass road from Lajkura Welcome Gate to Mine 3 Jn of 3.7 KM length	35.56
12.	Construction of concrete CT road connecting Bundia Mine to NH 200 of 12.54 KM length	135.29
13.	SILO arrangement at Ananta Spur Siding-V and VI for 15Mty.	198.66
14.	SILO arrangement at Bhubaneswari OCP for 20 Mty. Hingula Washery(10 Mty.) on BOM basis	183.95
15.	Construction of SILO dispatch at Kulda OCP for Basundhara washery (10Mty)	35.96
16.	Rail Infrastructure project, Gopalpur Track Gopalpur-Manoharpur Rly line (52.412 KM)	469.68
17.	Construction of 2nd railway siding at Himgir siding towards North direction	251.35
18.	Railway Siding work from Angul Station to Kalinga CPP	99.00
19.	Basundhara washery (10.00 Mty) on BOM (Built-Operated-Maintained) basis	165.79
20.	Construction and commissioning of Jagannath washery(10.00 Mty) on BOM basis	160.70
21.	Construction and commissioning of IB Valley washery(10.00 Mty) on BOM basis	181.00
22.	Construction and commissioning of Hingula washery(10.00 Mty) on BOM basis	181.00
TOTAL	22	3407.16

C. Details of Mining and Non-mining projects, costing more than ₹20 Crore, approved during the year.

Sl. No.	Non-mining Projects approved	Capital in ₹ Cr.	Approval Date
1.	Construction of diversion road from check post of Lingaraj OCP to NH-200 for a length of 2.30 KM with 01 flyover and 01 ROB.	136.00	20.05.2012
2.	Construction of ROB at the level crossing near Ghantpara Village at Talcher	37.50	12.06.2012
3.	Widening of road from 2 lane to 4 lane from Bankibahal to Kanika Railway siding, Length-27 KM.	162.00	25.09.2012
4.	All CT roads in Basundhara Garjanbahal Area inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	22.96	25.09.2012
5.	All CT roads in IB Coalfields inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	94.22	25.09.2012
6.	All CT roads in Talcher Coalfields inside mine premises leading to siding having life more than 5 years to be constructed with concrete.	179.00	25.09.2012
7.	Construction of bypass road from Lajkura Welcome Gate to Mine 3 Jn of 3.7 KM length	35.56	05.12.2012
8.	Construction of concrete CT road connecting Bundia Mine to NH 200 of 12.54 KM length	135.29	05.12.2012

16.10 Foreign Collaboration : Nil**16.11 Modernisation and Technology Absorption**

- (a) Higher capacity HEMMs like 10 Cum. and 20 Cum. Shovels, 100T and 170T Dumpers, 770 HP Dozers etc. have been envisaged in the latest sanctioned Project Reports.
- (b) Continuous Miner is slated to be introduced in different underground (UG) projects of MCL. Tendering for its introduction in HBI mine is under process.
- (c) MCL is the trendsetter in introducing Blast-free technology of winning coal in opencast mine by Surface Miner. Now, it is envisaged to introduce Ripper Dozer to remove overburden(OB) also.
- (d) MCL has undertaken Geo-technical studies for caving characteristics of Talcher UG mine and environmental impact and

impact on ground water of fly ash filling in Balanda opencast excavation.

- (e) SILO with Rapid Loading System is going to be introduced in all the major opencast projects(OCPs) of MCL.
- (f) Man-riding system has already been introduced in four UG mines at IB Valley Coalfields and going to be introduced in other mines at Talcher Coalfields also.
- (g) MCL has planned to construct four numbers of washeries of 10.00 Mty capacity each, two in Talcher Coalfields, one in IB Valley Coalfields and one in Basundhara sector of IB Valley Coalfields. Constructions of these washeries are to be implemented on BOM (Built, Operated and Maintained) basis. Techno-Economic-Feasibility Reports for all these washeries have been approved by MCL Board.

16.12 Projects pending approval of Government : Nil

16.13 Land Acquisition during 2012-13 :

(Figures in Ha)

Area	Tenancy		Govt. Non-Forest		Forest Land		Total Acquisition	Total Possession
	Acquisition	Possession	Acquisition	Possession	Acquisition	Possession		
Jagannath	-	31.600	-	-	-	22.670	-	54.270
Hingula	181.935	31.804	125.448	-	375.244	-	682.627	31.804
Bharatpur	-	4.330	-	33.820	-	24.010	-	62.160
Lingaraj	-	0.580	-	1.420	-	15.130	-	17.130
Kaniha	-	37.620	-	-	-	-	-	37.620
IB Valley	-	-	-	89.635	-	-	-	89.635
Lakhanpur	-	73.543	-	-	-	-	-	73.543
B-G Area	-	1.700	-	-	-	-	-	1.700
MNH								
Shakti Ltd.	-	-	-	-	-	-	-	-
MJSJ Ltd.	279.828	-	70.983	217.963	59.004	-	409.815	217.963
Total	461.763	181.177	196.431	342.838	434.248	61.810	1092.442	461.763

16.14 Status of Washeries on Build, Operate & Maintain (BOM) Basis :

In terms of the decision of Hon'ble Minister of State of Coal for installation of washeries on BOM basis for economic washing of high ash coal, MCL has proposed to install four

numbers of 10.0Mty washeries each on BOM basis viz. Basundhara, Jagannath, IB Valley, and Hingula washery. The details are as under.

(A) Basundhara Washery :

- i) As directed by MCL Board, in its 128th meeting, re-tendering was done. Offers received against common RFQ bid for Basundhara and Jagannath washery, opened on 02.04.2012, were forwarded to CMPDIL for evaluation. Final comparative statement of common RFQ bid for setting up of Basundhara and Jagannath washeries(10.0 Mty each) prepared by CMPDIL, Ranchi was received on 27.03.2013. Selection of qualified bidders is expected to be completed by the end of April, 2013.
- ii) Terms of Reference (ToR) for proposed Basundhara washery having a validity of 2 years with effect from 21.03.2011 has been received from MoEF, New Delhi. Since the validity is only upto 20.03.2013, request for validity extension upto 20.03.2014 has been submitted to MoEF on 05.03.2013. EIA/ EMP is under preparation at CMPDIL, Ranchi.

(B) Jagannath Washery :

- i) As directed by MCL Board in its 128th meeting, re-tendering was done. Offers received against common RFQ bid for Basundhara and Jagannath washeries, opened on 02.04.2012, were forwarded to CMPDIL for evaluation. Final Comparative Statement of common RFQ bid for setting up of Basundhara and Jagannath washeries(10.0 Mty each) prepared by CMPDIL, Ranchi was received on 27.03.2013. Selection of qualified bidders is expected to be completed by the end of April, 2013.
- ii) Proposal in respect of the revised location for Jagannath washery to the site adjacent to the proposed linked mine i.e. Bhubaneswari OCP has already been submitted to Technical Sub-committee of MCL on 24.03.2013 for its recommendation

to MCL Board in view of the non availability of 10.0 Mty of raw coal from Ananta OCP and Bharatpur OCP due to up coming of CHP with SILO loading arrangement for dispatch of 15.0 Mty coal, each through SILOs of Ananta and Bharatpur OCPs. The recommendation of the Technical Sub-committee in this regard is yet to be received. Preparation of Form-I, as required, depends on the finalization of location and capacity of linked mine for the proposed Jagannath washery.

(C) IB Valley Washery at Lakhnpur:

- i) Conceptual report of IB Valley washery has been approved by MCL Board. The qualified bidders have been selected by CMPDIL, Ranchi on the basis of common centralized notice invited for Request for Qualification(RFQ).
- ii) Re-organization of the proposed 10.0 Mty washery from earlier identified site is under examination considering the targeted production and provision of washery given in the approved PR of integrated Lakhnpur-Belpahar-Lilari OCP in which all the three mines have been proposed to be integrated into one mine and planned upto the lower most workable seam. After receiving a comprehensive report from the Regional Institute of CMPDIL and obtaining subsequent approval of Competent Authority, the same will be communicated to CMPDIL for customization of RFP Bid document, presently under preparation at CMPDIL.

(D) Hingula Washery:-

- i) Conceptual report of Hingula washery has been approved by MCL Board. The qualified bidders have been selected by CMPDIL on the basis of common centralized notice invited for Request For Qualification(RFQ).
- ii) RFP bids were issued to the bidders selected through common centralized RFQ on BOM basis by CMPDIL on behalf of CIL. Offers received against RFP bid opened on 12.10.2012 were sent to CMPDIL, Ranchi

on 25.10.2012 for evaluation. Tender Committee deliberated on the Comparative Statement of Techno-Commercial offers against the RFP bid, submitted by CMPDIL on 22.03.2013 and advised CMPDIL to prepare a revised Comparative Statement on the basis of suggestions and re-submit the same by first week of April, 2013.

- iii) Form-1 for EC has been submitted to Advisor, Environment & Forest, CIL, New Delhi on 31.01.2013 for furnishing the same through MoC to MoEF.

17. GEOLOGICAL EXPLORATION

Particulars	2011-12	2012-2013	
	Actual	Target	Actual
1. Total Drilling in CIL Blocks (in meter)	27953*	38800	27807
2. Coal Reserves proved due to above drilling (in million tonne)	239.00	—	1413

* Drilling in CIL Blocks could not be done as per target due to non-availability of forestry clearance and priority drilling in some Non-CIL/ Captive Blocks.

18. ENVIRONMENT MANAGEMENT

18.1 Sustainable Development (SD)

In line with the DPE guidelines of 2012-13 on Sustainable Development, MCL has undertaken the following projects.

18.1.1 Energy Conservation :

MCL has decided to replace the Fluorescent Tubular (FT) lamps and High Pressure Sodium Vapour (HPSV) lamps with suitable LED (Light Emitting Diodes) lamps of similar illumination in a phased manner at its office and common places of HQs., Jagannath OCP, Orient Mine No. 1&2 and 3&4. LED lighting needs less energy than most other lamps, lasts longer and do not require frequent replacement whereas most of the energy in other incandescent lamps are lost in terms of heat and only around 10% of total energy is utilized in illumination. Moreover, harmful UV emissions do not occur in LEDs.

In the first phase, action has been taken for procurement of:

- 19 W and 10W LEDs to replace the 40W and 20W FT lamps
- 90W and 45W LEDs to replace 150W and 70W HPSV street lights

Supply orders have been placed for:

- 453 numbers x 90W LED street lights for Orient Area and HQs.
- 60 numbers x 45W LED street lights for Jagannath Area and
- 500 numbers x 10W LED tubes for HQs.

Out of the above three Supply Orders, 60 number of 45W LED street lights have been delivered to Regional store, Jagannath Area on 30.03.2013.

For 19W LED tubes, re-tendering is being done.

18.1.2 Recycling of sewage water/mine effluent:

Recycling of mine water proposals for Talcher Area, Hingula Area, Lakhanpur Area and Basundhara-Garjanbahal Area have been conceived and taken up as an MoU activity under SD with a view to reduce surface water withdrawal and restrict discharge of mine effluent outside mine premises. The scheme of recycling of MDTP water of BOCM, Lakhanpur Area to Eco tank for dust suppression purpose and recycling of Basundhara(East) mine water for domestic use are being tendered. At Talcher Area, the work of recycling of UG mine pumped water through pipelines connecting sand bunker 3 to filter bed is under progress and likely to be completed by May, 2013. Expenditure in this respect during 2012-13 stands at ₹14.50 lakh.

18.1.3 Rain Water Harvesting :

Rain water harvesting is the technique of collection and storage of rain water at surface or in sub-surface aquifers, before it is lost as surface run-off. The augmented resource can be harvested in the time of need. Artificial recharge to ground water is a process by which the ground water

reservoir is augmented at rate exceeding that under natural conditions of replenishment.

Eight numbers of rain water harvesting proposals, two numbers each at Talcher Area, Hingula Area, Jagannath Area and Lakhanpur Area were envisaged and agreed under MoU. The locations were Area office and Officers' Club of Talcher Area, Balaram Guest House and N JOY Club of Balaram township of Hingula Area, Jagannath Colony and Central Colony of Jagannath Area and CGM office and Belpahar Training Institute (BTI) of Lakhanpur Area. All the proposals were for augmentation of ground water aquifers or for other uses. Out of the eight rainwater harvesting proposals agreed under MoU, five numbers (Area Office and Officers' club of Talcher Area, Jagannath Colony of Jagannath Area, Utkalika of Balaram Township and N JOY Club of Hingula Area) have been completed. Remaining one at Central Colony of Jagannath Area is under progress whereas tendering is being done for two numbers at Lakhanpur Area which will be completed during 2013-14. The expenditure under this head during 2012-13 is ₹17.19 lakh.

18.1.4 Training/Workshop on SD:

To embed the philosophy and spirit of sustainability in the core values of MCL, for sustainability practices to be imbibed by the employees at all levels and to permeate into all the activities, processes, operations and transactions of the enterprise, capacity building measures have been initiated in MCL. Your Company is taking steps to implement its sustainability agenda within the organization through the active involvement of its employees, especially the executives, who are important internal stakeholders. All departments of your Company are gradually being sensitized to the need for conducting business in a manner that is economically, socially and environmentally sustainable. This includes spreading awareness of 'Sustainability'

amongst the employees, providing them with education and training, necessary for attitudinal change and their conversion to socially and environmentally sustainable methods and practices of doing business and adopting motivational tools to provide just the right momentum to push all such initiatives.

As a part of this programme, executives have been sent to outside Company across India to take part in various training programmes on Sustainable Development. Training and workshops have also been organized within the Company at its Headquarters and at Coalfields level by inviting experts from different institutes like Department of Public Enterprises, Confederation of Indian Industries; IIT, Delhi; KIIT School of Rural Management, Bhubaneswar. More than 200 executives have been trained on sustainability during 2012-13 with an expenditure of ₹11.50 lakh.

Executives have been sent for outside Company training, conducted by various bodies across India. The expenditure towards outside training of executives was ₹6.00 lakh.

In toto, 5 in-company programmes have been completed before 31.03.2013.

Details of in-house training programmes are as follows:

Date and Venue	Facilitator
20.04.2012 at MTI, MCL HQs	Shri J.R. Panigrahi, Director, (MoU)
25.09.2012 at MTI, MCL HQs	Ms. Santosh Taneja, CII, Delhi
23.11.2012 at Conference Hall MCL HQs	Prof. A.K. Keshari, IIT, Delhi
22.03.2013 at BTI Lakhanpur Area	Dr. L.K. Vaswani, Director, KIIT School of Rural Management, Bhubaneswar
22.03.2013 at MEETI, CWS(X) Talcher	Dr. L.K. Vaswani, Director, KIIT School of Rural Management, Bhubaneswar

18.1.5 SD reporting on GRI guidelines:

Your Company has become the first Coal producing Company in India to come out with a Corporate Sustainability Report also known as Business Responsibility Report.

This report enabled by M/s Green Evangelist, Bengaluru is as per the globally accepted GRI 3.1 guidelines, complies with Application Level C+ and is an externally assured report by DNV- a leading data verification Company.

The report covers data across more than 10 core parameters (covering Social, Environment and Economic aspects) and clearly demonstrates MCL's strategic commitment to its Stakeholders and how it intends focussing on environmental issues and social responsibility on its path of economic progress. MCL can now ably benchmark itself against global giants on the Triple Bottom Line (People, Planet, Profit).

Through this released report, MCL has complied with the mandate of Department of Public Enterprises (DPE) to release the report of this nature by 31st January, 2013. Henceforth, MCL will continue to publish such reports every year in line with international guidelines.

18.2 Statutory Compliance - Environmental Clearance:

As per EIA Notification 2006 (Notified under the Environment Protection Act, 1986) prior Environment Clearance (EC) from Central Government, Ministry of Environment and Forest (MoEF) is necessary for operating any mine or for expansion/extension of any mine. Accordingly, MCL is regularly applying for EC for all the mines (new and expansion).

EC for 09 (nine) expansion projects were granted in 2012-13.

(Figures in Mt.)

Sl. No.	Particulars	Talcher Coalfields	IB Valley Coalfields	Total
1.	Existing EC available	103.78	67.21	170.99
2.	EC recommended by EAC (additional capacity)	8.00	0.00	8.00
3.	EC under Process (additional capacity)	31.00	21.10	52.10
Total				231.09

During the year EC of the following nine (09) projects were granted by MoEF.

Sl. No.	Name of the Project	Letter No. and date of the EC Letter
1.	Bhubaneswari OCP Expn.- 20 Mty	J-11015/128/2007- IA.II(M) dt: 30.11.2012
2.	Samleswari OC Expn.-11 Mty	J-11015/183/2008- IA.II(M) dt: 25.02.2013
3.	Lajkura OCP-3.0 Mty	J-11015/423/2008- IA.II(M) dt: 12.03.2013
4.	Belpahar OC Expn.-6.0 Mty	J-11015/189/2008- IA.II(M) dt: 25.02.2013
5.	Orient Mine no.4 - 0.50 Mty	J-11015/37/2007- IA.II(M) dt: 25.02.2013
6.	Orient Mine no.1&2 - 0.87 Mty	J-11015/197/2008- IA.II(M) dt: 26.02.2013
7.	Orient Mine no.3 - 0.69 Mty	J-11015/206/2008- IA.II(M) dt: 12.03.2013
8.	Hirakhand Bundia Incline - 0.95 Mty	J-11015/651/2007- IA.II(M) dt: 26.02.2013
9.	Basundhara (W)- 8.0 Mty	J-11015/205/2008- IA.II(M) dt: 25.02.2013

18.2.1 Statutory Compliance - Post-clearance

- a. "Consent to operate" under Water and Air Acts has been obtained or applied for in time (with consent deemed to be obtained) from State Pollution Control Board (SPCB), Odisha for all the operating mines, during the year.
- b. 'Authorisation' under Hazardous Wastes Rules has also been obtained from the SPCB by the operating opencast mines having excavation workshops (which generate used batteries, spent oil and grease) and oil and grease traps to recover oil and grease from waste water flowing out of washing ramps (which generate oily sludge). The used batteries and recovered oil and grease are auctioned to authorised re-processors through M/s MSTC Limited after sufficient accumulation. Half-yearly return for batteries and annual return for other Hazardous Wastes were submitted to the SPCB as per the Statute.
- c. An internal audit of environmental management was conducted by a team of 3 Officers of MCL for the year 2011-12 with regard to each of the 23 operating mines during the year under consideration as in previous years.
- d. Annual Environmental Statements in Form-V under Rule-14 of Environment Protection Rules were submitted to SPCB Vide Letter dated 28.09.2011 during the year for all the 23 operating mines.
- e. Half-yearly reports of compliance of the Environment Clearance conditions with regard to all the operating mines having environmental clearance under EIA Notification were submitted to MoEF in the year and the officials from the regional office of the MoEF, Bhubaneswar visited the mines time to time for monitoring the compliances.

18.3 Measures Taken to Protect and Improve Environment.

18.3.1 Land Reclamation and Plantation.

- Keeping with Company's concern for environment, MCL planted 31,800 saplings of mixed indigenous species over external dumps and backfilled internal dumps after adequate physical reclamation, as well as in vacant patches of other land and avenues, in the mines during the year 2012-13. The plantation works were executed through M/s Odisha Forest Development Corporation (OFDC) and M/s Chhattisgarh Van Vikas Nigam Limited, Korba. This was done, as in previous year, for biological reclamation of the mine-degraded land towards the goal of ecological restoration.
- Additional plantations were also done in residential townships and office premises especially with fruit-bearing, flowering and medicinal plants and trees.
- Regular monitoring of mine closure and land use pattern by remote sensing application is in progress for 14 Open Cast Mines for both IB Valley and Talcher Coalfields through CMPDIL. The report generated is being uploaded on the Company website.

18.3.2 Air Pollution Control Measures

Keeping with Company's concern for Environment, long standing practices have been initiated to check air pollution with a good number of measures, some of which are highlighted here.

- During the year, MCL produced 73.84 Mt coal with Surface Miner Technology out of a total production of 107.89 Mt (68.44%). This is a blast-less mining technology which eliminates the dust generating operations like drilling, blasting and crushing completely while sprinkling water at the same time. Apart from that, selective mining of coal and stone layers separately is done with the machine to reduce the ash content by about 3% resulting in less ash generation in power plant and reduction of green house gas as well.
- A 41.5 Km long 4/3/2 lane concrete coal transport road corridor from Hingula OCP to Lingaraj OCP at a cost of ₹290 Crore is under construction.
- Black topping of permanent and semi-permanent roads were maintained and further strengthened during the year.
- Maintenance of fixed and mobile water sprinklers on roads, railway sidings, CHPs, stock yards etc.
- Manual sweeping and collection of spillage and dust over coal transportation roads.
- One heavy-duty truck-mounted vacuum-operated mechanical road sweeper is in operation for sweeping and collection of coal spillage and dust over coal transportation roads at Hingula OC Expansion Project.
- Installation and strengthening of existing dust collectors and dust extractors in drills and CHPs.
- Green belts continued to be developed between residential areas and the mines.
- To control air pollution in handling and dispatch of coal, two numbers of SILO loading system namely, Lakhanpur (UTLS)

and Bharatpur (RRLS) are in operation and additional four numbers at Ananta, Lingaraj, Bharatpur and Bhubaneswari Projects are in progress.

18.3.3 Water Pollution Control Measures:

- Mine drainage water pumped out of the mine as well as the water flowing out from OB dumps is put into settling ponds before being discharged in order to settle the sediments and prevent silting of rivers and other water bodies.
- Oil and Grease Traps (OGT) are also in place at the workshops of opencast mines in order to remove oil and grease as well as oily sludge from the waste water.
- Garland drains and catch drains are also provided around quarry boundary and OB dumps in order to arrest sediments and prevent shifting of natural drainage.
- Seven numbers of Sewage Treatment Plants (STP) have been provided for treatment of domestic effluent. The sludge generated is used as manures for plantation and garden in the townships. The treated water flowing out of these STPs is re-used for irrigation purposes.
- Sewage Treatment Plants (STPs) existing at 7 townships were also maintained during the year.
- Disused quarry voids are used as water harvesting structure for recharge of ground water.
- Water Treatment Plants (WTPs) are operational under integrated water supply schemes of Talcher, IB Valley, Belpahar and Basundhara. Small-scale water filtration units for domestic supply are existing at ground mine water.

18.3.4 Noise and Ground Vibration Control Measures:

- Green belts developed between residential areas and the mines as well as infrastructures were maintained and some new one added during the year.
- Ear Muffs and Ear Plugs given to workers

exposed to noise were replaced and issued to new workers as well.

- Non-electric detonators were used where ever necessary for blasting resulting in less noise and ground vibration. Controlled blasting was also practised.

18.3.5 Environmental Monitoring:

- Routine environmental monitoring of air, water and noise was carried out during the year through CMPDIL laboratories, duly recognised by the Central Pollution Control Board (CPCB) at an estimated cost of ₹2.71 Crore. Methodology, frequency, etc. were strictly maintained as per the guidelines laid down by CPCB.
- Results of monitoring were submitted to SPCB and MoEF as per the Statute. Further, since October, 2011 the environment monitoring results are being uploaded on the Company website on monthly basis.
- Automatic Weather Stations at Jagannath Area and Lakhanpur Area are in operation.

18.4 ISO 14001 Certification :

Twenty one (21) Projects of MCL and apex system management and related functions of MCL HQs. are having certificates of registration on Integrated Management System(IMS), consisting of ISO 9001:2008 (Conforming Quality Management System) and ISO 14001:2004 (Conforming Environmental Management System), awarded by Governing Board of MS Certification Services Pvt. Limited.

19. SALES & MARKETING PERFORMANCE

MCL has achieved an off-take of 111.964 MTe during 2012-13 with a growth of 9.2% over last year, in spite of strike, bandh and heavy rain during July and August, 2012 paralyzing production and coal dispatch.

19.1 Demand and Off-take

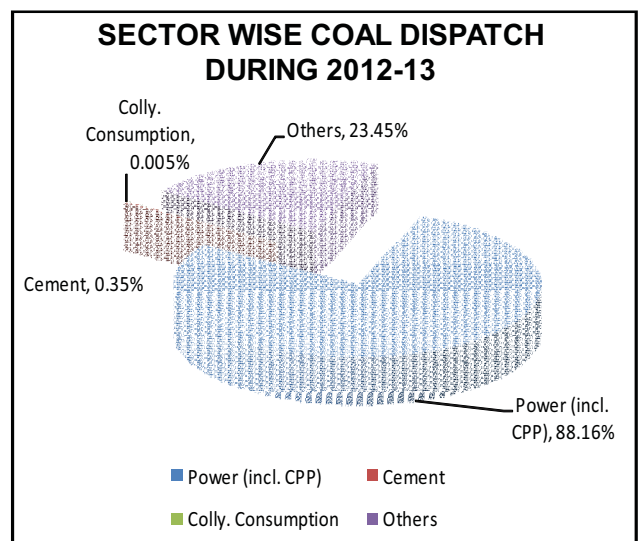
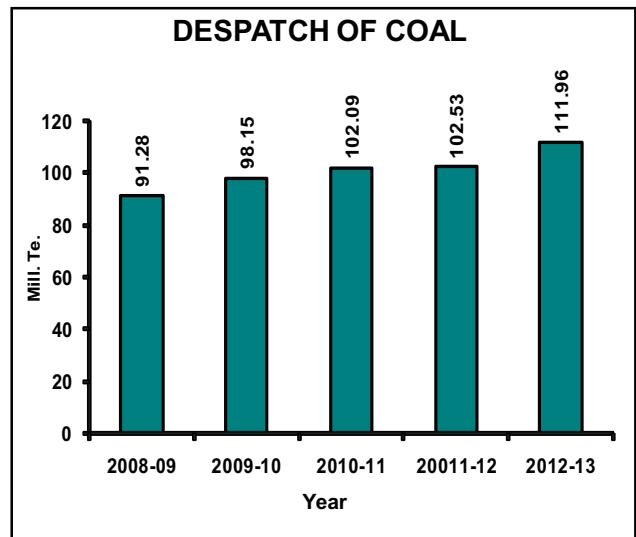
Off-take during 2012-13 was 111.964 Mt against the target of 113.75 Mt which was

98.43% of target and absolute growth of 9.437 Mt over last year.

The Sector-wise dispatch during 2012-13 is as under:

(In Million Tonne)

Sector	2012-13			2011-12
	Target	Actual	% Achieved	Actual
Power (Incl. CPP)	89.750	88.160	98.00	77.108
Cement	0.300	0.348	116.00	0.233
Others	23.700	23.451	98.95	25.181
Colly. Consumption	0.000	0.005	-	0.005
Total	113.750	111.964	98.43	102.527

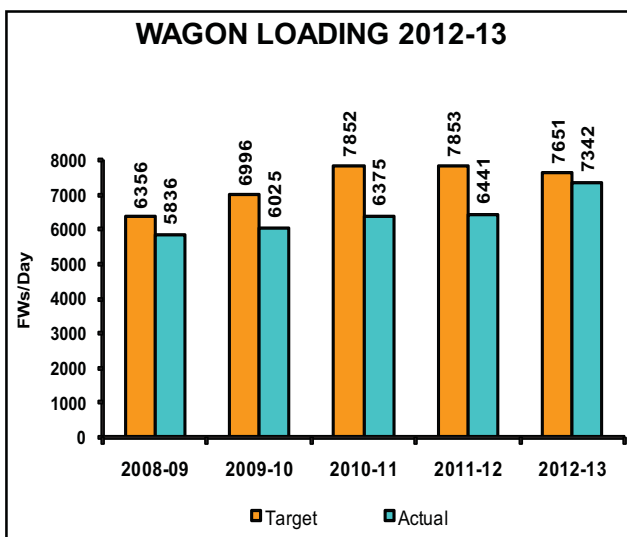


19.2 Wagon loading

Daily average wagon loading during 2012-13 was 7342 FWW/Day against 6441 FWW/Day during 2011-12 with an absolute growth of 901 FWW/Day i.e. 13.98%. The field-wise loading against target and supply is as under.

(Figs. in FWW/Day)

Field	2012-13			2011-12 Actual
	Target	Supply	Loading	
IB Valley	3428	3231	3231	3102
Talcher	4223	4111	4111	3339
Total	7651	7342	7342	6441



19.3 e-Auction

During 2012-13 your Company had offered 24.10 Mt. under Spot and Forward auction, against this 18.69 Mt. was booked by different bidders registering a premium of ₹1230.49 Crore over notified price.

19.4 Fuel Supply Agreement(FSA)

Your Company has signed twenty two FSAs with various consumers during 2012-13. Your Company has also signed five short-term MoUs with Power Houses as per allocation given by CEA during this year.

20. COAL QUALITY IMPROVEMENT

Your Company has taken utmost care to improve the quality of coal being supplied to different Power Houses and to fulfil the consumer satisfaction. During the year, various measures for ensuring proper quality of coal dispatched were intensified. This year MCL has achieved a record dispatch of 111.964 Mt. against 102.52 Mt. as compared to the previous year. So far as quality complaints are concerned, this year the number of complaints received is 17 (seventeen) against 3 (three) in the previous year.

The following steps are being taken by the Company to improve quality and consumer satisfaction.

- (i) Frequent interactions with different consumers have been done to improve consumer satisfaction. For this,
 - (a) Meeting of Regional Coal Consumers Council (RCCC) was convened and organised with major coal consumers on 18.06.2012 at MCL HQs.
 - (b) A meeting was convened under the Chairmanship of CVO, MCL, which was attended by officials of Vigilance Deptt., S&M Deptt. and Quality Control(Q.C.) Deptt. along with senior officials of major power houses and other consumers on 19.10.2012 at Bhubaneswar.
- (ii) Consumers were encouraged to check and supervise personally, the coal loading sidings as well as weighbridges.
- (iii) All sidings from where huge quantity of coal is dispatched to major consumers and core sector industries have been put directly under the supervision of the Nodal Officers who were specifically responsible for maintaining and ensuring proper quality, weightment and sizing of coal.
- (iv) Whenever any complaint, major or minor in nature, received in the S&M Deptt. of MCL, the same had been enquired at the spot by Officers of QC Deptt. and the findings had been informed to the

- consumer from where complaint was received, within the optimum timeframe.
- (v) All the railway sidings at Area level are being constantly monitored by QC Department in respect of dispatch of assured quality coal to all consumers.
- (vi) Surprise inspections and analysis of coal from different sidings are being done regularly by teams of officials of QC Deptt. to ensure proper quantity and quality of coal dispatched.
- (vii) Frequent inspections of weighbridges and Testing Laboratories are being done regularly by QC Department.
- (viii) In case of any discrepancy or fault found in Laboratories, Weighbridges and Sidings during inspection, the same was communicated to the concerned CGM/GM of the Area for information and taking corrective measures.
- (ix) To develop awareness on quality from grass-root level, "QUALITY WEEK" has been observed / celebrated from 20.03.2013 to 25.03.2013 in all Areas.
- (x) Presently, joint sampling and analysis of coal is being done at loading end as per NCDP(MoC) with MAHAGENCO, WBPDC, SAIL(RSP, CPP-I), SPCL (RSP, CPP-II), APGENCO, TNEB, NTPC(Kanhia), TTPS, OPGC, NALCO, KPCL, NALCO (Damanjodi), NTPC (Simhadri), VAL, DPL, DVC etc.
- (xi) There are total nine coal analysis laboratories in different Areas viz. Orient, IB Valley, Jagannath, Lingaraj, Bharatpur, Hingula, Talcher, Basundhara-Garjanbahal and Lakhanpur. All are well equipped with modern equipment like electronic Auto Bomb Calorimeter for determination of GCV of coal.
- (xii) These equipment enable to determine the grade of coal dispatched to different consumers within a period of two hours. This has helped for quick monitoring of the quality of coal available in the colliery stocks, sidings and the quality of coal being mined.
- (xiii) With the introduction of GCV concept w.e.f. 1st January, 2012, all requisite steps have been taken for gradation of coal of all Projects and Sidings. Accordingly, coal is being dispatched to all consumers and gradation/billing is done as per GCV base.
- (xiv) During this year also, selective mining method of extraction of coal was being continued and accordingly, surface miners were deployed at Lakhanpur OCP, Belpahar OCP, Lingaraj OCP, Bharatpur OCP, Balaram OCP, Hingula OCP, Basundhara (W) OCP, Kulda OCP and Samleswari OCP.
- (xv) By using surface miner, the rejects are being separated from the coal seam which helps to maintain the quality of coal.
- (xvi) Electronic Rail weighbridges with print out facility are available at all sidings. Apart from this, Company has provided standby weighbridges too for achieving the target of 100% weighment.
- (xvii) Proper care has been taken towards supply of -100 mm size coal to the consumers. For this, coal, which has been dispatched by rail, belt and MGR was crushed by CHPs and Feeder Breakers.
- (xviii) For the purpose of transparency and to get active participation of consumers on quality, bound paged registers have been kept in all sidings/ loading points, in which the representatives of the consumers present at the time of loading, are free to write their comments/suggestions in respect of quality/sizing and other facilities.
- (xix) Out of total dispatch of 111.96 Mt. of coal, 99.25% of coal was weighed with electronic printout during 2012-13 against 98.62% of 102.52 Mt. coal during 2011-12.
- (xx) By adopting stringent sampling procedure in case of seam, stock, siding and tipper samples, during the period 2012-13, the Annual Coal Grade has been declared to the utmost satisfaction of the consumers.

21. SAFETY AND RESCUE

'Safe Mining' is one of the core capabilities of your Company which has been attained through continuous practice of safety methods and techniques. Having a 'Zero Accident' target, your Company prepares, plans, and equips itself on a regular basis so that the target is best achieved and becomes the motivating force for the employees to be more productive.

21.1 Accident Statistics

Sl.No.	Particulars	2012-13	2011-12
1	No. of fatal accident	1	5
2	No. of fatality	1	5
3	No. of serious accident	6	10
4	No. of serious Injury	6	10
5	Rate of fatality		
	Per Million tonne out put	0.009	0.048
	Per 3 lakh manshift	0.061	0.340
6	Rate of serious injury		
	Per MTe out put	0.056	0.097
	Per 3 lakh manshift	0.366	0.680
7	Place-wise fatality		
	UG	–	–
	OC	–	–
	AG	1(1)	5(5)
	Total	1(1)	5(5)

NB : (i) Figures in bracket shows no. of person involved.

(ii) The accident figures are provisional and subject to reconciliation with DGMS.

21.2 Steps taken for improving safety in MCL

- Mining operation and system has been planned and designed so as to eliminate or to mitigate mining hazards.
- Statutory Rules and Regulations have been implemented so as to strive for superior standard of safety.
- Budgetary provision has been made for procurement of safety gadgets and appliances.
- Deployment of statutory personnel for accident prevention work has been ensured.
- Senior officials at all levels continue to inculcate safe practices in mines.
- Risk assessment and Risk management has been done in all mines covering hazards and mechanism of each hazard, control, action and responsibility and its implementation is updated regularly.
- Recommendations of 10th Safety Conference, Standing Committee on safety and CIL Safety Board are being implemented.
- Area level and Company level Tripartite Safety Committee meeting is in vogue and its recommendations are being implemented.
- Safety Audit of each mine is being done periodically and deficiencies pointed out are being rectified.
- Safety Fortnight is being observed every year to enhance awareness amongst employees.
- Emphasis upon training and retraining has been given for departmental as well as contractual employees.
- Emphasis upon provision and use of safety wears/safety gadgets.
- Contractor's employees are treated at par with departmental employees in matters pertaining to safety.
- All out efforts are being made to increase awareness amongst the employees through public address system as well as knowledge dissemination through distribution of write-up and steps are being taken to ensure that all people perceive, carry out and enforce provisions of laws, code of practices and standing orders.
- RMR of all underground working districts have been determined. Roof support is being provided on the basis of RMR in conformity with Regulation 108 of Coal Mines Regulations, 1957 and steel supports are being used as roof support.

- To overcome the difficulties of manual drilling and reduce the exposure of face workers under the green roof, 15 (fifteen) numbers of Universal Drilling Machine and 08 (eight) numbers of Hydraulic Roof Bolting Machine are in use.
 - Safety Management Plan(SMP) is being prepared in respect of each mine.
 - 73 Officers have been trained in Risk Assessment and Safety Management by the SIMTARS (Australia) trained Executives of CIL.
 - 78 Staff and trained executives of CIL have attended the different Safety related training programmes organized by DGMS-Dhanbad, BHU-Varanasi, NSCI-New Delhi, IICM-Ranchi and other Organizations.
- 21.3 New safety technology adopted/to be adopted**
- Manual loading have been completely stopped in all UG mines and all the districts are fully mechanized with LHD/SDL loading.
 - It is proposed to introduce Continuous Miners in two underground mines (Hirakhand Bundia mine and Orient mine No. 1&2).
 - Out of 7 underground mines in MCL, Man Riding System is in use in four UG mines namely, HRC mine, HBI mine, OC3 mine and OC 1&2 of Orient Area. It is proposed to install Man Riding System at Nandira Mine of Talcher Area also.
 - Environmental Tele-monitoring System is working at Orient mine No.3 and Orient mine No. 1&2. Tele-Monitoring System for HBI mine is under process of procurement.
 - 15 (fifteen) numbers of Universal Drilling Machine are provided in Orient Area for mechanized roof drilling and 08 (eight) numbers of Hydraulic Roof Bolting Machine are provided in Talcher Area.
 - Use of Resin capsules has already been started in Nandira Colliery.
 - Leaky Radio Communication System has been provided in Nandira Colliery, Talcher Area.
 - 26 numbers, including 07 Departmental Surface Miners for coal production have been introduced in almost all the Opencast Mines, which is eco-friendly and has eliminated drilling, blasting and crushing activities in the mines.
 - Use of high capacity machines to reduce the density of HEMM in the Mines.
 - OITDS is being introduced in Lingaraj, Bharatpur and Balaram OC mines.
 - Introduction of Ripper Dozer of 800 HP capacity is used in Belpahar opencast mine of Lakhanpur Area.
- 21.4 Research and Development**
- RMR study at all mines has been done by CMPDIL, Ranchi.
 - Conducted scientific study by designing the coal bench of Surface Miner for bench stability of Belpahar OCP of Lakhanpur Area by CMPDIL.
 - Scientific Studies for monitoring of strata behaviour and analysis of data generated during depillaring of 34 LN panel of HR-V Seam above caved goaf of Seam-I at HRC mine, Orient Area by CIMFR, Dhanbad.
 - Study of overall dump slope stability of 10/70 Dragline face of Lajkura OCP, IB Valley Area by CMPDIL.
 - Conducting the Non-destructive Test (NDT) of CHPs, RLS, Over-head Bunkers and other HEMM by CMPDIL.

21.5 Rescue

Mines Rescue Station at Brajrajnagar is serving mines of IB Valley Coalfields and Rescue Room-cum-Refresher Training at Talcher is serving mines of Talcher Coalfields. Both the Rescue Stations are well equipped with modern rescue apparatus like BG-174, BG-4, Maxaman, Travox 120, Computerised testing quaster II etc. to deal with emergency situations. 78 numbers of new sophisticated positive pressure self-contained breathing apparatus are being procured by MCL. All the underground mines are within reach of 30 minutes from respective MRS/RRRT.

To promote the rescue awareness amongst the employees of MCL, the Zonal Rescue Competition is being organized every year.

Your Company participated in 43rd All India Rescue Competition, 2012 (Coal and Metal) from 27th to 29th November, 2012 at Ramagundam(SCCL) and our Rescue Team bagged the 1st Prize in turn out of 'B' Team.

To enhance the capacity of Rescue Trained Person in mines, fresh initiative has been taken to enroll more number of employees from existing manpower and newly recruited employees.

22. COMPUTERISATION

Coalnet : Contract was awarded to M/s CMC Limited for two more years to maintain the Coalnet application. Various modules of Coalnet e.g. Finance, Personnel and Payroll, Sales and Marketing including e-auction, Production Information System, Equipment Monitoring System etc. are in use, and enhancements are done regularly as per need of the users. Coal sales billing (both cash and credit) have been made centralized and all Areas are accessing the centralized system at HQs. for coal sales billing. Modules like Personnel Information

System, Online Materials Management System etc. are also being accessed by Area.

e-Procurement : e-Tendering portal developed by NIC is in operation for Tender hoisting, opening and evaluation for works and services and procurement of goods for ECV more than 2 lakh.

e-Payment and e-Receipts: Payments and receipts are mostly done through e-mode. Thus suppliers/contractors/customers are not required to come to office for receiving their cheques. The coal consumers, who were supposed to come over to MCL to physically deposit the draft for lifting coal, are now depositing money through e-mode.

Truck Despatch System : Installation and commissioning of Operator-independent Truck Dispatch System (OITDS) is complete in three Open Cast Projects of MCL namely, Balaram, Lingaraj and Bharatpur OCPs. The system is on trial run in all the three projects. The formalities for obtaining WPC license is under progress.

MCL website : The Company's website www.mcl.gov.in, after restructuring, has been hoisted on the web server of CMPDIL, and is being regularly updated and enhanced by Systems Deptt., as and when required. Facilities for online registration of complaint and viewing bill payment status related to payment to contractors/suppliers etc. are available on the website as per CVC guidelines. RTI related information are also regularly updated in the website.

Online Recruitment : Online recruitment through website has been successfully introduced with the present facilities of hoisting of appointment related notices, online capture of applications, online checking of application, sending e-mails regarding written test, interview and results.

Coal Consumers' Complaint Redressal: With an aim to ensure maximum consumer satisfaction, provision has been made for receiving the complaints/grievances of the coal consumers and to update the redressal status online through our website.

e-Mail Accounts: In view of directive from Ministry of Home Affairs, Govt. of India, 400 e-mail accounts have been taken from NIC for officers of HQs. and Areas for making official correspondences.

Uploading of Tenders : All open tenders are uploaded on daily basis in the Govt. portal www.tenders.gov.in by Systems Deptt. in addition of e-procurement portal.

Online Materials Management System (OMMS) : OMMS has been made operational at all the Regional Stores, and there is facility for getting online stock position of any item at any stores from anywhere in MCL.

Procurement of PC / Laptops : Laptops have been procured and provided to all HoDs of MCL. Total PC population of MCL is 1494.

Linking between Bhubaneswar and Kolkata : The various Offices of MCL at Bhubaneswar and Kolkata have been linked with MCL HQs. at Sambalpur through 1 Mbps BSNL leased line. VPN connectivity has also been established with HQs. to enable users to connect to Corporate LAN from any location.

Internet Leased Line : A 10 Mbps leased line based internet facility from BSNL has been commissioned at HQs. Any user on Corporate network can access internet from any remote units of MCL.

Productivity Improvement Scheme Software : A software has been developed and implemented in Open Cast Projects of MCL for correct and timely payment of incentives as per Productivity Improvement Scheme approved by MCL Board.

Connectivity of Remaining Weighbridges : Work order has been placed on M/s ITI Limited for providing connectivity to remaining weighbridges (both Rail and Road) through radio links, and for setting up LANs at Anand Vihar offices and connecting these offices with the Corporate Network. Work is in progress.

Further to the above the following proposals are under finalisation:

- (i) Setting up of MPLS/VSAT based redundant network through BSNL, for connecting Area Offices/Project Offices/Weighbridges with HQs.
- (ii) GPS/GPRS based Vehicle Tracking System with Onboard Load sensors on trucks/tippers used for coal production/internal transportation.
- (iii) RFID based Reader with Automatic Boom Barriers Entry and Exit Points of Mines for vehicle access control.
- (iv) RFID based Reader with Fixed IP camera at road weighbridges for capturing image of the vehicles and vehicle details along with weighment data.
- (v) Tendering for CCTV Based Surveillance System at Railway Sidings for continuous video recording.
- (vi) Procurement proposal for replacement of Servers at HQs. and Areas.

23. TELECOMMUNICATION

- (a) Mobile CUG facility has been provided to all the executives of MCL serving at different units of the organization all over the State of Odisha. This has enabled 24X7 unlimited communication among 1700+ executives at minimum cost engaged in mining, dispatch, engineering and other activities and thereby substantially reinforcing the communication infrastructure of MCL. Action has also been initiated to rope in

- other MCL executives posted outside Odisha, (a small fraction) and 140 JCC members under the CUG net.
- (b) The IP based Wide Area Network (WAN) installed covering almost all the units of MCL, is being widely and successfully used for different activities like Finance, Sales, System etc. for online data communication, facilitating management for various activities of the organization. Efforts have been made for increasing the use of network for more sophisticated purpose like ERP and various other online activities.
- (c) 100 numbers of VHF hand-held sets along with 09 numbers of base station and one repeater station have been successfully installed this year in the units of IB Valley Area which have considerably eased the VHF communication at the projects up to coal faces.
- (d) WiMax Internet facility has been provided to all the road weighbridges of MCL being used for road sale to enable generation of e-transit pass for the truck to be dispatched.
- (e) For enhancing the internal communication facilities at projects, 03 numbers of EPBAX Exchange for Lajkura, Nandira and Bhubhaneswari project are under procurement action. Procurement of one EPBAX for Anand Vihar at MCL HQs. replacing the old one is also under process for better communication facility in the complex.
- (f) Action has been initiated for installation of Camera Surveillance System at Office Campus of MCL HQs., Jagruti Vihar to enhance the security of the Corporate Office. Initiatives have also been taken for installation of CCTV surveillance system for CWS, IB Valley and Talcher and regional stores of all Areas.
- (g) Being an obscured place, for recreation of the employees at MCL HQs., Cable TV

service with about 650 connections at the residence of staff and executives of MCL HQs., covering both Jagruti Vihar and Anand Vihar has been arranged and maintained.

- (h) Procurement of 30 line underground communication system is also under process for mine No. 4 of Orient Area by replacing the existing system.

24. DEVELOPMENT OF ANCILLARY INDUSTRIES

Your Company is committed to provide self employment opportunities to the local budding entrepreneurs through the process of ancillarisation and provide a sustainable business to them by apportioning a substantial share of revenue in the areas of Stores/ Consumable/Repairing etc.

For the above cause, your Company has a full fledged Ancillary Development Cell which is committed for the following activities:

- Undertakes, allows and encourages all endeavours to explore and develop the potentialities of the small scale industries (SSI) in its operational jurisdiction within the State of Odisha.
- To improve the availability of spares, import substitution for meeting the growing demand of MCL, with the help of Directorate of Industries of the State and D.I.Cs.
- A broad outlook to create scope of increased self-employment and thus self-dependency amidst the young population of the locality of State.
- Prosperity of general masses, in the State and elevation of this State in the industrial map of the Nation and adjusting the industrial products of the SSI units of this State to reach the new dynamics of achieving the Global Competitive Standard.

The Ancillary Development Cell of MCL is committed to the overall development of SSI units of Odisha located within the operational jurisdiction of MCL, with a sole aim to provide increased scope of self employment opportunities to the skilled and un-skilled unemployed youth of the locality and thus self-dependence and prosperity of the general mass in the State.

Since inception, MCL has helped and developed SSI units of Odisha. SSI units were awarded proven/provisional ancillary status for various consumable spares/items and service related jobs directly linked to production processes involved in engineering and mining section of MCL.

Further, in its continued efforts in keeping alive these ancillary units, MCL has been giving sustainable business to those ancillary units who are committed to quality supply of materials and maintaining prompt delivery schedules. After reviewing the performance of the ancillary units, their cases are considered for renewal of ancillary status. As on date, approximately 31 SSI units (ancillary units) have got extension of validity of ancillary status based on merit and actively participating in the procurement process of MCL and supplying various quality ancillarised spares to the user areas. Status of remaining 20 are expired and are at various stages of revalidation for a further period of 5 (five) years.

MCL has been continuously keeping track with the ancillary units and trying to redress their grievances from time to time by conducting interactive session/meeting.

In the year 2012-13, MCL had actively participated in the two Mega Events :

- (i) Odisha MSME Internation Trade Fair-

2013 from 1st to 5th January 2013 at Bhubaneswar organized by MSME Department, Govt. of Odisha, Department of Industries in association with National Small Industries Corporation (NSIC), Govt. of India.

- (ii) National Level Vendor Development Programme cum Industrial Exhibition and Buyer Seller meet, Enterprise Odisha from 6th to 8th November, 2012 at Cuttack organized by MSME - Development Institute, Govt. of India in association with MSME Department, Govt of Odisha, CTCC and Orissa Industries Association. Spares of various equipment that have been identified were made open, for easier, and simpler understanding of the MSEs. MSEs were invited for strengthening MCL's production process and get strengthened themselves economically.

MCL was awarded with "Certificate of Excellence" in both the events.

Besides this, MCL participated in seminars which helped in strengthening the entrepreneurship in the State of Odisha.

- (i) Panel Discussion and Vendor Connect programme on 07th February, 2013 at Bhubaneswar.
- (ii) Seminar during Entrepreneur week 5th to 11th March, 2013 at Bhubaneswar.

Areas of Ancillarisation :

- Consumable Stores, Furniture, Forest Products, Safety Items, Machinery Spare Parts, Castings and Services.
- Feeder Breaker/CHP Spares, Underground equipment spares, HEMM spares, Pipe Fittings and Civil Items.

- Electrical Items, Fire Fighting Equipment, Rolled Steel Items, Printing Jobs, Cables and etc.

Purchase/Repair statistics of ancillary units (both proven and provisional) and SSI units inside Odisha for the last three years is as below :

Sl.No.	Financial Year	Amount (₹ Crore)
01	2010 - 11	7.13
02	2011 - 12	6.46
03	2012 - 13	7.61

There is a growth of 17.8% in off-take from ancillary units of MCL as well as from other SSI units inside Odisha over last financial year. The off-take may maintain the increasing trend due to continual increase in demand of coal and upcoming of new projects.

A new policy for Micro and Small Enterprises (MSEs), MSEs Order 2012 issued by Ministry of Micro, Small and Medium Enterprises (MSME) has been received. Policy entails about achieving 20% of the total annual purchases of the products or services produced or rendered by MSEs from the later in 3 years period. MCL is working on framing this policy in line with the CIL purchase manual in consultation with State Govt. officials.

For implementation of new Public Procurement Policy (PPP), Ancillary Development Cell has been strengthened and changed to MSME-Ancillary Department headed by a General Manager (E&M) MSME/ANC. After implementation of this new Public Procurement Policy (PPP) it is expected to increase the off-take from MSEs on account of exclusive purchase of 358 items reserved

for them and also minimum of 20% counter offer in procurement of other goods and services. This new policy may assure more volume of purchases from the ancillary units of MCL as well as from other SSI units inside and outside Odisha.

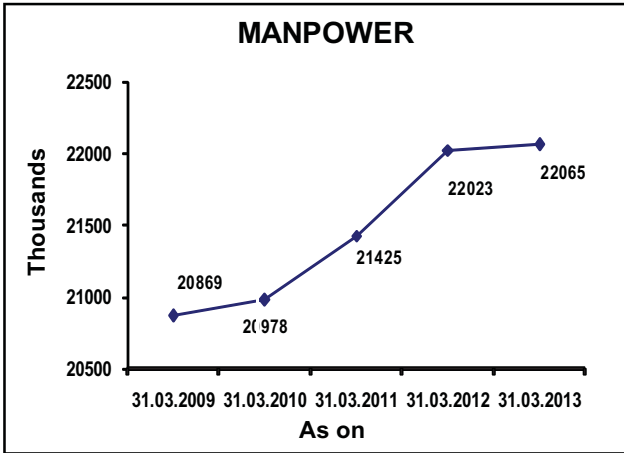
25. HUMAN RESOURCES MANAGEMENT

Your Company is having the lowest manpower contingent, but by maintaining their motivation and competence at a higher level has helped the Company to remain in the 100 Million Club again for the Fourth consecutive year. The high productivity of the employees has resulted in achieving 107.894 Million Tonnes of Coal production and 90.36 M.Cu.M of OB Removal in the financial year 2012 -13.

Your company believes that its success is not attributable solely to its strong market position but to its human capital, that plays an equally important role. HRM of your company is well aligned with its long-term strategies, which culminates in attracting, nurturing, developing and retaining talents.

Out of the total manpower of 22,065, the strength of the executives is 1851 and non-executives is 20214. During the period, 1013 persons joined by way of fresh recruitment, transfer, reinstatement, etc. and 971 persons were separated by way of retirement, transfer, ESS, resignation, death, etc. The main increase in manpower is on account of providing employment to the Project Affected Families as per the R&R Policies in vogue, Recruitment through campus selection and open recruitment of Management Trainees by CIL. The total manpower strength of the Company stands at 22,065 as on 31.03.2013 against 22,023 as on 31.03.2012.

MANPOWER REPORT :



25.1 Industrial Relation

MCL being a major industrial establishment of Odisha, has maintained healthy cordial industrial relations with its workers representatives for creating harmonious working environment in the organization. It has also maintained friendly relation with outside agencies and adjoining villagers of the mining vicinity.

Harmonious relation between management and employees is pivotal for achieving higher growth and as such, the Company always emphasized on maintaining good industrial relations. This year too, MCL has been successful in maintaining the industrial relations harmoniously with the three-tier IR system mechanism i.e. at Unit level, Area level and Corporate level. Depending upon the issues and delegation of power, the grievances/demands of employees were resolved at different levels of IR system.

The efforts of all four operating Trade Unions were highly appreciable for maintaining high standards of Industrial Relations with the management.

25.2 Participative Management

Employees' participation in decision making in day-to-day affairs as well as Corporate planning up to a certain level with the management paves the way for achieving Corporate goal. Your Company, knowing the values of participative management adopted the principle since its inception.

Trade Union representatives are nominated by operating Trade Unions (covered under IR system) to represent in JCC and Welfare Board. In addition to the said bipartite forums, Tripartite Safety Committees at the Areas as well as Corporate level are also functioning in which representatives nominated by operating Trade Unions are included. The above said Bipartite and Tripartite Committees were actively involved in assisting the Management to take certain decisions and resolving problems.

The concept of "Working Together" was introduced in the year 2002 to discuss and resolve burning issues as well as to focus on future course of action of the Company by sitting together and brainstorming with operating Trade Union Representatives. In the direction of participative management, MCL organized the "Working Together" in the year 2012-13 at Puri on the topic "COAL INDIA VISION 2020 - PREPAREDNESS REQUIRED FOR MCL".

Your Company recognizes the importance of gender sensitivity and takes special care for protecting the interests of its women employees and addressing issues/grievances raised by women employees. The Parliamentary Standing Committee on Personnel, Public grievances, law and justice visited MCL on 16.02.2013 and had discussions regarding status of women employees, service conditions, protection

against exploitation, incentives and other related issues wherein it appreciated the efforts of MCL in this regard.

Barring one all India strike held from 20.02.2013 to 21.02.2013 by some of the Central Trade Unions on the issues related to policies of Central Govt., Industrial Relations remained peaceful. Apart from this, no strike was held during the year 2012-13 reflecting the strong relationship between the Management and Trade Unions.

A whopping 554 meetings related to IR, Welfare, Safety, JCC etc. were held at Company level/Area level/Project level in 2012-13 wherein various matters regarding employee welfare, safety and employee grievances were discussed with the Union representatives and problems were amicably sorted out. In the course of discussions, many new ideas and suggestions were also generated for improving work processes and for the betterment of day-to-day affairs of the organization.

In addition, meeting with Coal India Schedule Tribe Employees' Association (CISTEA) were held at Area/HQs. where the grievances of employees belonging to SC/ST communities were discussed and resolved amicably.

As per the decision taken in the Parliamentary Committee on the Welfare of SC/ST held at Bhubaneswar on 19.01.2012, one member of the Association has been included in the following forums at Unit/Area/HQs. level heralding a positive step towards participative management:-

- i) House Allotment Committee
- ii) Area Joint Consultative Committee
- iii) Corporate Joint Consultative Committee

25.3 Training and Development

Training and Development is an integral part of your Company's Corporate Policy to deal with the development of existing Human Resources as well as to look ahead with clear perspective with special reference to technological advances and growth of manpower to fulfil the demand of production vis-à-vis technology.

To cope up with the task emerging from strategic plan, annual HRD plan is worked out every year to integrate HRD efforts in all the 3 in-house training centres i.e Management Training Institute (MTI), Burla, Belpahar Training Institute (BTI), Belpahar, Lakhanpur Area, Mining, Engineering and Excavation Training Institute (MEETI), Talcher and 5 Vocational Training Centres (VTC) located in different Areas in following three segments.

i) Technical Training :

It is to provide necessary technical training to the employees working in mines directly or indirectly and also to update them with latest technology if any, to be used in mining operation in near future so that capital and technology input to the project through capacity and new equipment or enrichment in the production process through particular systems in technology could provide appropriate return to the investment. In order to implement the above, employees are exposed through :

- **Basic Course:** Appropriate to technology, equipment and system.
- **Refresher course:** Once in three years to those who have already gone through basic course or are already working in specific skill area. Refresher training is also conducted either on the site or in the training centres.
- **Specialized course:** In case of change in technology, in equipment configuration and capacity and improvement in the system of production.

ii) Management Training :

Executives at each level are provided need based training as per the Companies requirement from time to time i.e. entry to the higher level. In house training on various subject of Companies interest is imparted at the Management Training Institute, Burla. Also the executives are sent to various outside organisations like IICM, Ranchi, IIMs, IITs, NITs and other renowned training centres in India and abroad for acquiring new skill and knowledge.

- Coaching classes : For carrier growth.
- Computer Awareness Programme: For efficient and smooth functioning of official jobs.

ii) Transformation Training :

Company on a regular basis besides imparting the regular statutory training courses, takes interest in providing some specialized training to the employees with an outlook to the Company's future need and requirement as per the Company's Corporate plans to make the employees skilled enough to take on the future challenges and take the Company towards a new horizon of success.

C) Workers' Programme:

- Workers Development Programme : For skill up-gradation of workers.
- HEMM training : Land oustees are selected for this training to be posted in different mines after proper training.
- Safety Awareness Programme : To create safety awareness among workers regarding safety in mines.
- Computer Awareness Programme : To handle computer efficiently.

Training Curriculum :

A) Executives' Programme:-

- General Management Programme : For enhancing the managerial skill and performance of executives
- Functional Programme : For developing functional skills.
- Cross Functional Programme : For developing knowledge regarding function of other department.
- Computer Awareness Programme : For efficient and smooth functioning of official jobs.

B) Supervisors' programme:-

- Supervisory Development Programme: For knowledge and skill up-gradation.
- Safety Management for Supervisors: For creating awareness among the supervisors.

Training Details

In-house Training details (MTI, BTI, MEETI, VTC)

Sl.No.	Employees	2011-12	2012-13
1	Executive	648	944
2	Supervisor	806	657
3	Worker	1437	4838
	Total	2891	6439

External Training details :

Sl.No.	Employees	2011-12	2012-13
1	Executive	934	874
2	Supervisor	150	185
3	Worker	34	62
	Total	1118	1121

Internship Training to Students of various Educational Institutes :

Sl.No.	Employees	2011-12	2012-13
1	Mining Engineering	89	102
2	Mining Diploma	715	188
3	B.Tech	123	111
4	MBA	76	57
5	UG Training of NLC.	01	01
	Total	1004	486

Post Diploma Practical Training (PDPT) :

Sl.No.	Institute	2011-12	2012-13
1	OSME, Keonjhar	10	22
2	KIMET, Chhendipada	07	06
Total		17	28

Training Imparted to MCL Board members :

Sl.No.	No. of Trainings in 2012-13	Within India	Foreign
1	04	04	-
2	10	10	-

Specialised Training programmes as per MoU 2012-13:

Sl.No.	Type	Target	Executives Trained
1	Project Management	05	11
2	Contract Management	05	08
3	AMP	02	02
4	Foreign Training	-	02

25.4 Management Development Institute at Bhubaneswar

Out of its commitment to grow as a learning organisation, to create space for executive learning on continuous basis and to develop Executives for the future leadership positions in the Company, MCL has decided to set up a state-of-the-art Centre for Management Development in the State capital.

MCL is the only Subsidiary of Coal India Limited that has taken up such a large initiative to cater to the growing and emerging developmental needs of the executive population, within the coal sector. The upcoming facility at Tomando, Bhubaneswar aims at multifarious activities like Training and Development, R&D, consultancy, and General Educational Programmes. Competency gaps arising out of introduction of new technology,

diversification of Business, and superannuation of executives can be replenished at a faster rate through structured HRD interventions for which the Institute is poised.

M/s NBCC, a Central Government Enterprise has been entrusted with the construction of the Institute complying the best of the green standards.

25.5 Recreational Activities

Keeping in view to induce team spirit and to develop sense of fellow feeling amongst the employees different recreational activities are being organised in the Company.

Different tournaments have been organised at the Area level and the selected players were deputed to participate in the CIL Inter Company tournaments. The MCL achievements in the CIL tournaments are praiseworthy, especially in CIL Badminton tournament Shri Yudhistir Sahoo of Hingula Area was No.2 in the Men's event. Miss K. T. Das and Miss Deepthy Priyadarsini S were winner and runners-up in the Women's category. The MCL Team were group Runners-up in the just concluded CIL Inter Company Body/Weight/Power Lifting Competition held at CIL, HQs., Kolkata.

Run for Excellence was organised on the occasion of Coal India Foundation as well as Foundation Day of MCL. For social and economic development of down trodden people of our society, MCL Mahila Mandal undertook lot of philanthropic works in and around MCL peripheral. Financial assistance has been extended to different registered organisations for undertaking recreational and social activities in their Areas.

25.5.1 Education:

MCL has rendered financial assistance to the Educational Institutions running in and around collieries in the form of Grant-in-aid to 19 numbers of privately

managed Schools including NK Mahavidyalaya, Talcher. In order to have better educational facilities for our children, 09 DAV Public Schools are functioning in MCL. This includes a DAV Girls High School exclusively for Girls students. During the year 2012-13 ₹15,51,16,910/- (Revenue) was sanctioned for DAV Public Schools towards recurring expenditure and ₹35,17,200/- (60%) has been provided to Privately Managed Schools and to release the balance 40% relevant report have been asked from the Area. This year MCL management has enhanced the financial grant to Privately Managed Schools by 40% above the previous grant. In addition to above, 40% seats were reserved for Wage Board employees' wards for admission into IGIT, Sarang and OSME, Keonjhar (Diploma Technical Schools).

25.5.2 Scholarship of meritorious students

As per CIL Scholarship scheme employees' wards have been awarded scholarship on merit basis. An amount of ₹20,93,460.00 was provided on this head during 2012-13 to 1612 meritorious students (all are employees wards).

Your Company had given financial assistance to employees' wards towards cost of tuition fees and hostel rent for Technical and Medical Education. An amount of ₹11,57,240.00 was disbursed under this head during 2012-13 to 54 numbers of employees' ward.

26. OFFICIAL LANGUAGE

In order to implement the Official Language Policy of Govt. of India in HQs. and Areas of MCL, an Annual Programme/Calendar is prepared every year and programmes are being performed as per the same. Quarterly Rajbhasha Workshops and Official Language Implementation Committee meetings, Language Training Classes for both the sessions of the year, meetings of nominated Hindi Officers, organization of various competitions during Rajbhasha Fortnight, meetings of Town

Official Language Implementation Committee, Sambalpur, CIL level Rajbhasha Seminar and Kavi Sammelan were held during the year.

During the year below mentioned Rajbhasha activities were organized :

1. *Meetings of Official Language Implementation Committee :*

OLIC meetings were held on 26.6.2012, 12.09.2012, 15.12.2012 and 27.02.2013 presided by Shri A. N. Sahay, CMD, MCL wherein progress of Rajbhasha in Areas and HQs. were reviewed and important decisions were taken. In the Official Language Implementation Committee meetings held on 26.06.2012 and 27.02.2013 Dr. Prasanna Patshani, MP(Lok Sabha)/Hon'ble Member of Hindi Advisory Committee of Ministry of Coal and Observer nominated by Ministry of Coal for MCL was also present.

2. *Rajbhasha Workshop :*

Rajbhasha Workshops were organized on 18.04.2012 (Lakhanpur Area), 22.6.2012 (CWS Talcher), 30.8.2012 (IB Valley), 31.8.2012 (Lakhanpur Area), 31.8.2012 (Lingaraj Area), 14.9.2012 (MCL HQs.), 18.10.2012 (Bharatpur Area), 26.12.2012 (Talcher Area) 28.12.2012 (Lingaraj Area) and 10.1.2013 MCL HQs. Total 10 Rajbhasha Workshops were organized where in participants were imparted with the Rules and Regulations of Rajbhasha Policies and practiced Noting/Drafting in Hindi. Total 379 Officers/Staff took part in the programmes.

3. *Meetings of Town Official Language Implementation Committee, Sambalpur :*

Town Official Language Implementation Committee meetings were organized on 27.6.2012 and 27.11.2012 at MCL HQs. Chaired by Shri A.N. Sahay,CMD, MCL TOLIC, Sambalpur and General Manager (Rajbhasha)/Member Secy., TOLIC, Sambalpur and heads/representatives of member offices were present.

4. *Meetings of Nominated Hindi Officers :*

In order to expedite the implementation of OL Policy in MCL, meetings of Nominated Hindi Officers were held on 07.05.2012 and 17.08.2012.

5. *Training of Hindi Language :*

Training of Hindi Language and Examinations are conducted by HTS, Govt. of India. Total 297 (May, 2012 session-159 and November, 2012 session-138) employees have passed the examinations of Hindi Teaching Scheme (May, 2012 session-Prabodh-9, Praveen-68, Prajna-52, November, 2012 session-Prabodh-58, Praveen-30, Pragya-50). One time lump-sum cash award have been given to them as per CIL Rules and Prajna passed candidates were awarded with one time cash incentive equivalent to their increment of one year in addition to the above as per the circular of MCL.

6. *Unicode supported Hindi Typing Training on Computer :*

Programmes for Unicode supported Hindi Typing Training on computer were organized at MTI, MCL on 3rd and 4th December, 2012 for IB Valley Area wherein 14 employees, 5th and 6th December, 2012 for Talcher Area wherein 18 employees and 7th and 8th December, 2012 for HQs. wherein 16 employees were trained. Again 5 employees were sent to C-DAC, Pune from 11th to 15th March, 2013 for Hindi Computer Training Programme. Thus, 53 employees were trained on Unicode supported Hindi typing training on computer during the year, 2012-13.

7. *All India Kavi Sammelan :*

On the occasion of Vigilance Awareness week, celebration of all India Kavi Sammelan was organized at MCL HQs. on 02.11.2012.

8. *Rajbhasha Awards/Honours :*

Rajbhasha Seminars organized by various NGOs were participated by the executives of MCL, wherein MCL and its executives were honoured with many Awards and Accolades, details of which are given below:

All India Rajbhasha Seminar was organized by Bhartiya Rajbhasha Vikas Sansthan, Dehradun at Shimla from 8th to 12th October, 2012.

- (a) Shri A.N. Sahay, CMD, MCL was awarded with the "Rajbhasha Shree Samman" .
- (b) Shri S.C. Padhy, Director(P), MCL was awarded with "Vishesh Rajbhasha Shree Samman".
- (c) Shri G.P. Purbey, General Manager (MTI and Rajbhasha), MCL was awarded with "Rajbhasha Kirti Samman".
- (d) Shri U.N. Behera, Manager(Rajbhasha), MCL was awarded with "Rajbhasha Shilpi Samman" and "Vishesh Rajbhasha Vishistata Samman".
- (e) Shri D.K. Mali, Sr. Manager(Mining), Lingaraj Area, MCL and Shri O.P. Mishra Sr.Manager(Civil), e-Procurement, MCL HQs. were awarded with "Bhartendu Rajbhasha Sahitya Shiromoni Samman" for their literary works.

9. *Hindi Diwas/Hindi Pakhwara :*

On 14.09.2012, Hindi Day was celebrated at MCL HQs. and Areas. At HQs. the same was inaugurated by CMD, MCL. A Hindi workshop was also organized on the occasion.

Rajbhasha Fortnight was celebrated at MCL HQs. and Areas from 14th to 28th September, 2012. During the celebration various competitions like Hindi Essay writing, Debate, Noting and Drafting, and Hindi Typing on computer were organized which were hugely participated by the employees.

In addition to the above an Essay writing competition was organized for house wives of the employees.

10. *Vishwa Hindi Diwas :*

Vishwa Hindi Diwas celebrated at MCL HQs. on 10.01.2013 and was inaugurated by Shri A.N. Sahay, CMD, MCL. A workshop as well as a Poem recitation programme was organized to mark the occasion. Dr. Shankar Lal Purohit, Ex. HOD (Hindi), BJB College, Bhubaneswar, Dr. Murari Lal Sharma, HOD(Hindi), Sambalpur University, Dr. Madhusudhan Saha, Ex.Manager (Rajbhasha), Rourkela Steel Plant and Shri K.P. Gupta, Ex. HOD(Hindi), Gangadhar Meher College, Sambalpur addressed the gathering.

11. *Purchase of Books :*

As per Official Language Policy, 50% of total expenses made on purchase of books were spent on Hindi Books.

12. *Words of the Day :*

At the entrance of Corporate building, Jagruti Vihar and Management Training Institute, Anand Vihar, MCL HQs. five words of daily official use are written in English with their Hindi synonyms on white boards.

13. *Website of MCL :*

Website of MCL has been made bilingual which is updated from time to time.

28. LAND/R&R

Your Company is committed to help the project affected/displaced families for execution of its projects and has been making efforts to improve the socio-economic status of Project Affected Families and also committed for progress with development which amply reflected in its R&R Policy. MCL follows the R&R Policy of the State of Odisha and has provided 680 employments during 2012-13 as compared to 396 employments during

2011-12 and total number of 11063 employments since inception. MCL has also opened a Grievance Cell i.e. Single Window System in each of its Coalfields to redress any grievances of the land oustees. Rehabilitation colonies have been set up with pucca roads, street lighting, health centres, post offices, daily markets, schools, community centres, worshipping places, etc. for the benefit of the land oustees. MCL provides OPD facility to all peripheral villagers in its existing hospitals/ dispensaries available in the Coalfields with free of cost or at a nominal charge of ₹2.00 per patient.

Your Company acquires land for expansion of mining activities by providing rehabilitation and resettlement to the affected villagers. During the year 2012-13 MCL has acquired 1092.442 hectares of land.

28. CORPORATE SOCIAL RESPONSIBILITY

Your Company is taking up different Socio-economic Development works through its well defined CSR Policy introduced from the year 2010-11. Since its inception, your Company has taken up various activities extending financial assistance for water supply schemes, construction/repair of public utility roads, construction of community centre, check-dam for the benefit of the peripheral villages, rendering preventive health programme, village health programme, family welfare programme and medical facility to peripheral villages through mobile medical van on regular basis.

Further, Tata Institute of Social Sciences, Mumbai has been engaged to conduct base line survey to assess Socio-economic aspects including skill development of project affected people.

As a major activity during the year, MCL has supplied drinking water through tanker during summer to 291 peripheral villages and 18 Municipal wards.

Three numbers of piped Water Supply Scheme at a cost of ₹56.88 Crore have been approved by MCL Board to be executed through Rural Water Supply and Sanitation Department of the State of Odisha. These projects will cater the needs of 35 numbers of peripheral villages of Talcher Coalfields.

Your Company has allocated ₹51.56 Crore under CSR head for the year 2012-13 @ ₹5/- per tonne of coal produced in the year 2011-12 towards CSR activities as per CIL and MCL's CSR Policy, which comes to 1.22% of the post-tax profit.

Your Company has also taken ambitious steps to widen and broaden the CSR activities. The total value of CSR activities taken up is ₹167.67 Crore, out of which activities worth of ₹59.44 Crore have been tendered and activities worth of ₹108.23 Crore have been approved by MCL Board. The expenditure in this financial year is ₹25.56 Crore and most of the activities are under Progress.

Some of the major CSR activities undertaken in 2012-13 are as under :

- Construction of Road Over Bridge (ROB) at level crossing near Ghantapada village before NTPC conveyer on the road from Handidhua to NALCO Chowk, Angul at a cost of ₹27.23 Crore.
- Repairing and strengthening of black topped road from Duduka Chowk to Kanika approach junction at Sundergarh at a cost of ₹15.59 Crore.
- Strengthening and widening of Angul-Chhendipada-Sarpal-Budhapal road up to 2 lane standard of Angul District (Phase-II) at an expenditure of ₹7.00 Crore.
- Black topping of road from Zero Point of Balaram OCP to Lakeipasi village under Bharatpur Area, Angul at an expenditure of ₹84.00 lakh.

- Strengthening and repairing of road from Gandhi Chowk to Pabitrarnohan Chowk via Baghuabole Talcher under Lingaraj Area, Angul at an expenditure of ₹1.06 Crore.
- Repairing and Strengthening of Sundergarh bypass road from Govt. College junction to Kirei check gate junction under BG Area, Sundergarh at a cost of ₹6.53 Crore.
- Widening of existing Handidhua bypass road from Handidhua Railway Chowk (Gandhi Chowk) to Canal Chowk junction of Pabitrarnohan Chowk, Angul at a cost of ₹3.39 Crore.
- Rural piped water supply scheme to village Kandhal and its adjacent villages under Talcher Block in the district of Angul (Project Cost: ₹15.18 Crore) through RWSS, Talcher.
- Rural piped water supply scheme for village Kamarei, Jarada, Badatribada, Badagunduri and its adjoining village under Kaniha Block in the district of Angul (Project Cost : ₹40.36 Crore) through RWSS, Talcher.
- Rural piped water supply scheme for village Chandrabail and its adjoining villages under Kaniha Block in the district of Angul (Project Cost : ₹1.34 Crore) through RWSS, Talcher.
- Renovation/Improvement of Soubhagya Sagar, a big tank of Talcher Municipality, Angul at a cost of ₹2.08 Crore.
- Water supply through mobile tanker during Summer to 291 peripheral villages and 18 Municipal wards at a cost of ₹4.39 Crore.
- Contribution towards construction of 100 bedded ward building of RCC roof with frame structure at District HQs. Hospital, Angul amounting ₹1.40 Crore.
- 154 number of Health Camps for the villagers were conducted at an expenditure of ₹19.05 lakh.
- Besides the above, free check-ups and

medical facilities were extended in Talcher Coalfields during the break out of Dengue to all the patients/suspects.

28.1 Gender Budgeting

Out of its social responsiveness, MCL has always shown its sensitivity to gender specific issues within and beyond the Company and tried to address them through best possible efforts. Some of the examples are as below :

- Maintaining a gender specific database of its workforce.
- Forming a Complaint Committee for redressing complaints lodged by woman employees.
- Allowing the Women in Public Sector (WIPS) wing/branch of MCL to function in an active manner with its members participating in seminars and conferences where exchange of ideas and problems take place.
- Construction of three number of Tribal Girls' Hostels as a part of CSR.
- Construction of a Ladies' Hostel for Veer Surendra Sai University of Technology(VSSUT), Burla as a part of Peripheral Development Scheme.
- Special award scheme for recognizing women for outstanding contribution in the field of CSR on May Day every year.
- Encouraging women employees to participate in the Industrial Relations meetings held between Management and Trade Unions for proper representation and addressing related issues.
- Granting Child Care Leaves(CCL) to eligible women executives.
- Relaxation of age bar for employment to female spouses of employees dying in mine accidents.

- Providing training to underprivileged women from surrounding communities on Tailoring/Embroidery, Computer Literacy, Retailing of Grocery items etc. by "Mahila Mandal", operating both at Headquarters and Areas for enhancing earning capacity and employability. The social outfit is constituted of spouses of senior executives of MCL.

28.2 Public Relations

Your Company's endeavour is to keep its stakeholders well-informed about the achievements as well as maintaining cordial and constructive internal and external communication. We maintain a very healthy professional relationship with print and electronic media by briefing them time to time about various developments/happenings in the Company. We consider media as a force multiplier for various initiatives the Company is taking to fulfil the energy requirements of the country vis-à-vis contributing towards upliftment of underprivileged peripheral population living in and around our Command Area. In this regard, besides facilitating visits of journalists and photojournalists of national and international NEWS organisation, press conferences for local media persons were also organised at Company Headquarters and Coalfields Areas. Media was also involved in various official events and functions for providing widespread coverage. The Company participated in five exhibitions at Delhi, Bengaluru, Cuttack and Bhubaneswar by setting-up exhibits to showcase Company and its achievements. Company was also awarded for setting-up best exhibits in the exhibitions. Special write-ups, news releases on various events and interviews of top executives were published in various local, regional and national publications to disseminate information about Company's initiatives as well as objective. Besides this, Road Shows were organised in Coalfields Areas to spread awareness about Company's new R&R Policy and how to

avail its benefits. A documentary film on skill up-gradation programmes for employees and land oustees was also prepared and telecast in local news channel to generate awareness. Besides this, goodwill advertisements were also released to various newspapers, other publications and news channels to spread Company's achievements, projects and plans.

29. CAPITAL INVESTMENT ON SOCIAL AMENITIES

Details of capital investment on social amenities as on 31.03.2013 vis-à-vis 31.03.2012 is briefed here under :

(₹ in crore)

Sl. No.	Particulars	Gross Value of Fixed Assets	
		As at 31.3.2013	As at 31.3.2012
1	Buildings	317.51	305.08
2	Plant and Machineries	68.99	68.60
3	Furniture, fittings and equipment	7.57	7.01
4	Vehicle	5.67	5.68
5	Development	9.24	9.16
	Total	408.98	395.53

30. VIGILANCE ACTIVITIES AND ACHIEVEMENTS

The prime focus of the Vigilance Department of MCL has been on preventive Vigilance through the use of leveraging technology. The main thrust is to suggest systemic improvement in the identified vulnerable area of corruption in order to minimize the human interface in business transactions of the Company. During the current financial year, as a preventive, predictive and pre-emptive vigilance measures, frequent surprise inspections have been made under the guidance of CVO to identify the irregularities in various field operations as well as in due system and procedures. In addition, awareness on vigilance and

anti-corruption issues amongst the employees also on the priority agenda which inter-alia includes newly inducted Management Trainees, Vendors, Students and common citizens through interactions/Seminar.

30.1 Preventive Vigilance

(a) **Inspections :** During the year 2012-13, 45 surprise and routine inspections have been carried out. The major focus of such inspections has been on streamlining of system/procedure to bring in fairness and transparency in the field operations. Surprise check of various field operations like diesel consumption, coal quality, security deployment, coal transportation, local purchase/emergency purchase, public procurements had been done leading to various systemic improvements in the form of issue of circular, instructions, guidelines and recommendations of punitive action wherever found.

(b) **Systemic Improvements :** On the directives of CVC, New Delhi issued from time to time, preventive, predictive and pre-emptive vigilance has been the main-stay of the functioning of the Vigilance Department.

In order to enhance general awareness on vigilance and anti-corruption issues amongst the officers of MCL, a session on "Preventive Vigilance and Public Procurement" was conducted during September, 2012 by the Chief Vigilance Officer, MCL in which 76 number of GMs/CGMs of HQs./Areas along with the Area Project Officers participated. The circulars relating to various systemic improvement i.e. HSD issue/receipt, splitting of works, coal quality, pattern of HSD consumption were emphasized. Besides, the officers were also advised for ensuring the use of leveraging technology in coal weighment, public procurement, connectivity of the stores, monitoring of contractual bills, GPRS based water vehicle tracking system etc. through the Coalnet i.e. WAN/

LAN system available within and outside the mine areas. Further, they were given time bound action plan for installation of 35 number of in-motion road weighbridges so that percentage of coal weighed from pit head to stock/siding can be improved step by step.

During the year, an interactive session was also held with linked coal consumers of MCL at Bhubaneswar in which senior officers of MCL from Sales and Marketing/ Quality Control Department participated. The interactive session was conveyed by the CVO, MCL to get the first hand information on the quality and quantity issue of coal being dispatched to various core sections. This has resulted into reduction in the complaints/grievance relating to coal quality issues and refund of EMDs' to the coal consumers.

Implementation of various systemic improvement measures i.e on-line bill payment status, installation of in-motion road weighbridges, functioning of OITDS, etc. could be made possible through continuous monitoring by the Vigilance Department. Further the preparatory works relating to installation of in-motion road weighbridges for 100% coal weighment from pit head to the stock as well as from stock to siding could get completed by regular follow-up with the Project/Area Authorities.

In one of the mega projects like "Strengthening and Widening of Coal Transportation Road at Talcher Coalfields" awarded to IVRLC-AMR Joint Venture having an agreement value of ₹251.35 Crore during January, 2012, the award of consultancy work was getting delayed by the management leading to commencement of work without hiring of the consultant. Due to the vigilance intervention, appointment of the consultant as per the due procedure was finalized by January, 2013 leading to award of consultancy work to M/s RITES Limited.

30.2 Punitive Vigilance

During the year, 06 major and 04 minor penalty proceedings have been initiated against 17 employees. Enquiries in respect of 08 major cases are in progress.

Particulars	Pending	New	Disposal	Pending
	as on 31st March, 2012	Additions During 2012-13	During 2012-13	as on 31st March, 2013
Vigilance cases	16	08	23	01
Major penalty proceedings	06	07	01	12
Minor penalty proceedings	00	05	01	04

30.3 Rotation of Employees :

Company has a policy for rotating the employees, who are working in sensitive posts/departments. During the year, 109 employees had been transferred from sensitive to non-sensitive posts. This includes those officers whose names were figuring in the "Agreed List" and "List of Officers of Doubtful Integrity" for the year 2012.

30.4 CVC Matters :

During the year, 05 cases were sent to CVC for seeking 1st stage advice. In all the 05 cases, CVC communicated for initiation of Major/Minor Penalty Proceedings and these cases are now under various stages of enquiry.

30.5 Parliament Questions :

18 Parliament Questions were replied during the year.

30.6 Right to Information Act :

19 RTI queries had been replied within the prescribed time limit.

30.7 Submission of Reports :

Monthly, Quarterly and Annual Reports had been sent to the Central Vigilance Commission, Ministry of Coal and Coal India Limited timely.

30.8 Vigilance Clearance :

During the year, vigilance clearance status in respect of 9748 employees including the officers at the level of Directors, Senior Executives and Non-executives had been furnished to the CIL/MoC/CVC with relation to promotion, probation, superannuation matters.

30.9 Transparency :

Tenders and contracts awarded were hoisted on MCL's website as per the Office Order circulated by Central Vigilance Commission, New Delhi Vide No.13.03.2005 dated 16.03.2005.

30.10 Vigilance Awareness Week :

As per the directives received from the Central Vigilance Commission, New Delhi, MCL observed Vigilance Awareness Week-2012 from 29th October to 3rd November in all its Areas and Establishments. As a part of the programme, two days Seminar on "Transparency in Public Procurement" was conducted on 29th and 30th October, 2012 in which eminent speakers like Shri Satyajit Mohanty, IG(P) and CMD, Odisha Police Housing Corporation, Shri P.K. Rath, District Collector, Sambalpur and Shri P. Patnaik, Editor, Statesman Newspaper delivered speech relating to anti-corruption strategies including role of IT enabled services in promoting transparency in day-to-day governance.

During the week, interaction with coal transporters, customers/consumers, contractors was also organized. As a part of the function, Slogan Competition on Anti-corruption theme was conducted for school children. These Slogans had also been given wide circulation to all the employees through SMS service of BSNL-CUG network. Further, with an objective to make the vigilance a citizen centric, a Toll Free No. 18003456795 was got

inaugurated by Shri Satyajit Mohanty, IG(P), Odisha, for the use of the public for lodging hassle free complaints.

30.11 Vigilance Bulletin :

On the occasion of Vigilance Awareness Week, 8th edition of Vigilance Bulletin was released keeping in view the need for enhancing the knowledge and awareness of employees on various circular instructions of CVC, New Delhi. For the information of MCL employees, case studies on procurement of works, goods and services, lapses detected by CTEs Organization and Articles on anti-corruption, have also been included in the said Bulletin. Copies of the Bulletin have been widely circulated within and outside the Company.

30.12 Major Achievement :

i) **Introduction of In-motion road weighbridges with RFID (Radio Frequency Identification)**

Recognizing that the coal transportation was being done with the "manual transit passes" and the weightment percentage was abysmally low with respect to coal transported from pit head to the stock/siding/CHP, the matter was taken up with the CMD, MCL for installation of in-motion road weighbridges for bringing transparency in the internal colliery transport.

As a result of constant follow-up by the Vigilance Department, 35 in-motion road weighbridges were supplied by M/s Kunal Enterprises, Pune and M/s Senlogic Automation (P) Limited, Chennai for both the Coalfields i.e. IB Valley and Talcher Coalfields. These in-motion road weighbridges are to be fitted with RFID for further connectivity to the existing Coalnet for monitoring of weightment related data through the Central Server on day-to-day basis.

- Further, IP phones in the existing weighbridges which were lying defunct had been activated in order to facilitate good communication network within the Mine Areas in case of any eventuality/break down.
- ii) **On-line bill payment status on Coalnet:**
- For real time monitoring of contractual bills on “first come first serve basis” like date of receipt of bills in the user departments, date of forwarding it to the Finance Department and actual date of e-payment to the contractor which were not being fed in the ‘Coalnet’ earlier had been started as a Vigilance Department’s initiative. This has not only resulted into the reduction in number of complaints relating to the delay in payment of the contractual bills, but also was instrumental in timely process and payment of contractual bills worth ₹337.00 Crore after its implementation by November, 2012.
- iii) **Operation of GPS based OITDS (Operator Independent Truck Dispatch System) for ensuring transparency in departmental over burden production:**
- Consequent to the system study undertaken by the Vigilance Department for evaluating the functioning of the OITDS (Operator Independent Truck Dispatch System) when it was found that the system installed during the year 2010 with the total expenditure of ₹40.18 Crore including 05 years AMC in three different projects was not being put to effective use, the same was vigorously followed up by the Vigilance Department during November-December, 2012. As a result, the OITDS function had been made fully operational on dynamic basis (i.e. system monitored departmental OB production) in the Lingaraj Project. In respect of other two projects viz. Bharatpur and Balaram, the operation of the OITDS is nearing completion. The OITDS shall ensure
- iv) **Reduction of threshold value of the contract from ₹1.00 Crore to ₹80.00 lakh for successful implementation of IP:**
- Considering the need for the implementation of Integrity Pact for maintaining transparency in the public procurements, it was thought that the ABC analysis of high valued contracts is required to be done at the periodic intervals. As a result of such exercise, the threshold value for the contracts under Integrity Pact had been further reduced from ₹1.00 Crore to ₹80.00 lakh keeping in view the enhancement of Delegation of Powers of Area GMs with respect to execution of contractual works.
- v) **Introduction of i-Track System in contractual water tankers deployed for supplying drinking water to nearby villages:**
- During Summer season, lot of unrest in the form of strike/agitation hampering production/dispatch has come to the notice of the Vigilance Department due to lack of supply of adequate drinking water to the peripheral villages. Keeping this in view, Vehicle Tracking System i.e. GPRS based i-Track System was introduced for all contractual water tankers engaged by the contractor to supply drinking water to nearby villages with an objective to bring greater transparency in supply of drinking water as well as in the contractual payments against the said work.
- vi) **Online monitoring of complaints and grievance redressal:**
- On line complaints are being received relating to various irregularities on dynamic MCL web-portal i.e. <http://www.mcl.gov.in/Vig/vigilance.php> and these complaints have been attended on priority basis leading to increase in credibility of the Vigilance Department.

vii) **On-line Auto Refund of EMD on e-procurement portal of MCL:**

As a forward linkage to the existing e-procurement portal of MCL, on-line auto-refund of EMD to unsuccessful bidders is in pipe-line and is expected to be finalized shortly. This will facilitate bidder in getting the EMD refunded at the earliest without delay and will lead to a wider participation in e-tenders of MCL.

31. e-PROCUREMENT

The e-Procurement system of MCL which was started on 15.08.2009 has been running successfully and other sister Companies of CIL are gradually following the system. There are constant improvements in the system and efforts are being made to add new features. At present the tenders valuing more than ₹2.00 lakh and above are being finalised through e-Procurement mode. This includes procurement of works, goods and services including multicurrency global tenders.

MCL has been immensely benefited by implementing this web-based software solution. There has been significant reduction in cycle time in finalization of tenders and there has been better transparency and convenience in tender evaluation process. A trend of decreasing bidding prices have been observed that in almost all type of tenders which indicates a healthy competition among the bidders.

Special Features of e-Procurement System of MCL

1. The evaluation of technical part of the tenders is done automatically by the portal software and human intervention in evaluation of bid is minimised.
2. The evaluation is performed by the portal software based on the data provided by the bidder in a structured and objective format. Bidders are required to upload

minimal documents for participation in tender.

3. Bidders are not required to submit any document off-line for evaluation of their bid except in case of Bank Guarantees.
4. The business logic required for the evaluation of tenders is incorporated in the portal software to validate the input data and to give appropriate alert messages.
5. The bidder, while submitting the bid gets a feedback at each stage, as to whether the bid complies to the requirement of the tender.
6. Only lowest bidder has to upload scanned copy of original documents for, in support of the information furnished by them (bidder) online.
7. In order to automate the system of receipt of EMD and tender fee, a system of online receipt of EMD and application fee had been started through EFT/NEFT/RTGS mode for all the tenders floated in MCL. Now bidders who are opting for on-line payment do not have to send any off-line document to MCL.
8. A facility has been created in the portal software so that the bidders can upload all confirmatory documents in support of the Bid information furnished by them in on-line mode.
9. After submission of bid, the bidder gets a feedback regarding their compliance with respect to the requirements of tender.
10. Thus, the bidders are not required to visit MCL premises for securing any contract through any tender.

New features planned for implementation during 2013-2014

The following two features have been planned for the session, 2013-14:

1. Automatic refund of EMD to unsuccessful bidders.
2. Post award contract management of works/supplies.

STATUS AS ON 31.3.2013

Date of Implementation of e-Procurement in MCL	15.08.2009
Total No. of Tenders Published	7584
Total Value of Tenders Published	₹7351.96 Crore
Total No. of Tenders Awarded	4169
Total Value of Tenders Awarded	₹ 3575.74 Crore
Average Cycle Time (Publish of NIT till decision of L-1)	27 days
Average Cycle Time (Publish of NIT till Award of Work)	69 days
LOWEST Cycle Time (Publish of NIT till decision of L-1)	15days
LOWEST Cycle Time (Publish of NIT till Award of Work)	21days
Maximum number of Bidders participated in one tender	17

32. INTEGRATED MANAGEMENT SYSTEM(IMS)

Since its inception in 1992, MCL has been pursuing the prevalent techniques of managing input resources and productivity to increase its coal production capabilities, which has been the priority of Indian coal industry. With the desired production capabilities and routine resource management coming well under control, the thrust shifted towards creating suitable management system to ensure sustained performance and crisis prevention during routine operations.

On the other hand, to take care of its legal obligations towards environment, MCL has also been using traditional methods of monitoring environmental impacts of its mining activities. Such methods were, however, unable to provide confidence and assurance that the Company has sustained and continued ability to control the adverse environmental impacts of its mining and allied operations.

Since, these traditional management techniques of resource/productivity management and environmental monitoring were not designed to address the present-day organizational needs, MCL was also experiencing the lack of a structured management system for ensuring the above improvements and sustainability in its operations.

In 1995, MCL decided to try the ISO 9000 quality management system in its Central Workshop at Talcher, which was certified in May, 1999 against the then ISO 9002:1994. Later, ISO 9001 was also implemented in Lingaraj opencast mining project and Central Workshop at IB Valley. These units also attained ISO 9001 certifications in November, 2003 and February, 2004 respectively.

In 1994, your Company also decided to enhance its environmental and social capabilities under a World Bank assisted programme of Coal India Limited. At the conclusion of this programme, the World Bank advised Coal India Limited to systematize the capabilities achieved by the coal mining projects through this program by establishing a formal environmental management system (like ISO 14001) in the projects. Coal India Limited accepted this proposal in November, 2000.

Between November, 2000 and March, 2004, MCL decided to pursue an Integrated Management System complying with both ISO 9001 and ISO 14001 in 5 of its opencast coal mining projects, viz. Samleswari, Kalinga (now renamed as Balaram), Lakhanpur, Ananta and Belpahar and ISO 14001 certifications in September, 2008 under an Integrated Management System.

This was intended to

- Eliminate duplication and cost of efforts in implementing two similar systems;
- Resolve operational conflicts to ensure consistency of operations;
- Eliminate ambiguity in roles to ensure smooth functioning of the integrated system;
- Simplify procedures to meet requirements which may otherwise appear diverse and unrelated ;

- e. Pursue comprehensive professional competence of personnel for obtaining effectiveness of operations under both the systems and
- f. Apply a unified approach to meet the expectations of both customers (towards concerned product/service) and the society (towards minimizing adverse environmental impacts from own operations).

To make such Integrated Management System a Company-wide approach, MCL decided in August, 2005 to reorganize all its isolated efforts in this direction, and make uniform and Company-wide ISO 9001 and ISO 14001 compliant IMS separately for (a) its coalmining projects, (b) both Central Workshops, and (c) both Central Hospitals.

In the year 2011-12, 22 Units in MCL were accredited for Integrated Management System-IMS(ISO 9001:2008 and ISO 14001:2004) out of which 11 Units were recertified(MCL HQs., Lajkura, Samleswari, Basundhara(W), Lakhanpur, Belpahar, Lilari Ananta, Jagannath, Lingaraj, Balaram OCP) and 11 Units got new certification (Mine No-1&2, Mine No-3, Mine No-4, HRC, HBI, Nandira Colliery, Talcher Colliery-UG Mines and Kulda, Bhubaneswari, Hingula, Bharatpur OCP). The certification was done by M/s MS Certification Services Pvt. Limited, Kolkata through CMPDIL, Ranchi.

In the year 2012-13, Company-wide Integrated Management System (IMS) of MCL is accredited with ISO 9001:2008 - Quality Management System, ISO 14001:2004-Environmental Management System and OHSAS 18001:2007-Occupational Health Management System which confirms to all the applicable international standards as follows.

ISO 9001 QMS	- for managing customer focus and internal efficiency of the organization.
ISO 14001 EMS	- for managing environmental concerns of the organization
OHSAS 18001	- for managing occupational-health and
OHSM	Ssafety concerns of organization

The certification was done by M/s MS Certification Services Pvt. Limited, Kolkata through CMPDIL, Ranchi.

Future Plan

In the year 2013-14, MCL is going to apply for accreditation for IMS with ISO 9001-Quality Management System, ISO 14001-Environmental Management System, OHSAS 18001:2007-Occupational Health Management System, SA 8001:2008-Social Accountability Management System and ISO 50001:2011-Energy Management System for MCL as a whole.

There is an addition of two International Standards in 2013-14, which confirms to all the applicable international standards as follows :

SA 8000 SAMS	- for managing social accountability concerns of the organization
ISO 50001 EnMS	- for managing rationalized consumption of all energy inputs in the organization

Purpose of the IMS

- a) To install a comprehensive management system for systematic and simultaneous management of focuses towards Quality, Internal Efficiency, Environment, Occupational Health and Safety, Social Accountability and Energy Performance of the Company.
- b) To eliminate duplication and cost of efforts through a unified approach and simplified procedures for implementing different management system, which may otherwise appear diverse and unrelated.
- c) To include a better work culture, ensuring consistency of operations and eliminating operational conflict through clarity, defined roles, responsibility, accountabilities and authorities under a well networked management system and healthy work environment.
- d) To reduce wasteful and non-value-adding operations during routing functioning, thus resulting into direct savings on time, costs and resources during operations and

indirect savings on environment and societal costs.

- e) To enable to provide following confidence to all its interested parties
- i) Mining and Supply of Coal that can consistently meet the requirement of customer, regulatory bodies and society.
 - ii) Committed to its responsibilities towards environment, occupational health safety, society and energy consumption.
 - iii) Systematic approach for achieving continual improvement
 - iv) Compliance of all legal and other requirements
 - v) Thrust is on sustained and continual improvement, rather than on some short-term achievements.

33. AWARDS AND RECOGNITION

33.1 In recognition of notable contribution/achievement in various fields of its activities, your Company has been conferred upon the following awards during 2012-13.

- Best Miniratna PSU Award 2012 by Dun & Bradstreet on 28.05.2012.
- Performance Excellence Award in Silver category by Indian Institution of Industrial Engineering on 15.06.2012.
- Frame CSR Award 2012 on 25.08.2012.
- IPE CSR Corporate Governance Award on 24.11.2012.
- HR Leadership Award-2012 by Asia Pacific HRD Congress on 6th September, 2012.

34. AUDITORS

34.1 Under Section 619 (2) of the Companies Act, 1956, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2012-13.

Statutory Auditors

M/s PAMS & Associates.
Chartered Accountants
Plot No. 506A, Unit-IX,
Bhubaneswar-751022

Branch Auditors

M/s SCM Associates
98, Kharvel Nagar,
Keshari Talkies Complex, 1st Floor
Bhubaneswar-751001

34.2 Under Section 233(B) of the Companies Act, 1956, the following Audit Firms were appointed as Central/Branch Cost Auditors for the year 2012-13.

Cost Auditors

M/s Niran & Co.
Esen Den, 475, Aiginia,
Asian Plaza Entry,
Khandagiri
Bhubaneswar-751019

Branch Cost Auditors

M/s Mani & Co.
Esen Den, 475, Aiginia,
"Ashoka"
111, Southern Avenue,
Kolkata- 700029

35. SUBSIDIARY COMPANIES

- a. MNH Shakti Limited one of the subsidiaries of MCL has been formed with MCL having 70% stake along with Neyveli Lignite Corporation and Hindalco holding the rest. The coal production is targeted from Talabira OCP with an annual capacity of 20.00 Mty.
- b. MJSJ Coal Limited another subsidiary of MCL has been formed with MCL having 60% stake along with JSW Steel, Jindal Thermal Power Limited, Jindal Stainless Steel and Shyam Metalics & Energy Limited holding the rest. The coal production is targeted from Gopalprasad OCP with an annual capacity of 15.00Mty.
- c. Mahanadi Basin Power Limited a public limited Company has been formed on

02.12.2011 as an SPV with 100% share hold by MCL and it's nominees with power generation capacity of 2X800 MW through Pit Head power plant at Basundhara Coalfields.

d. Statement of the Holding Company's interest in the Subsidiary Companies namely, M/s MNH Shakti Limited, M/s MJSJ Coal Limited and M/s Mahanadi Basin Power Limited is enclosed in accordance with Section 212 of the Companies Act, 1956.

35.1 The Company has also formed a joint venture Company namely, Neelanchal Power Transmission Company Pvt. Limited (NPTCPL) on 8th January, 2013 with an objective of carrying out power transmission business jointly with M/s OPTCL having an equity share holding pattern of 50:50 in the newly formed Company.

36. FIXED DEPOSITS

Your Company has not accepted any deposit from the public during the year as defined under Section 58A of the Companies Act, 1956 and the Rules made there under.

37. PARTICULARS OF INFORMATION U/S 217 OF THE COMPANIES ACT, 1956

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology absorption and Foreign Exchange earning and outgo is given in Annexure-I to this Report.

38. PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended are not given as your Company has not

paid any remuneration attracting these provisions.

39. BOARD OF DIRECTORS

39.1 The following persons, continued to be the Directors during the year under report.

1.	Shri A.N.Sahay	-	CMD
2.	Shri A.K.Singh	-	Director (Technical/P&P)
3.	Shri A.K. Tiwari	-	Director (Technical/Op.)
4.	Shri Kulamani Biswal	-	Director (Finance)
5.	Shri M.B.Sridharan	-	Independent Director
6.	Dr. A.K.Rath	-	Independent Director
7.	Dr. Ashok Kumar	-	Independent Director
8.	Shri Abdul Kalam	-	Independent Director

39.2 The following person was appointed as Director during the year under report.

1.	Shri B. K. Saxena	-	Director (w.e.f 09.08.2012)
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39.3 The following person, ceased to be Director during the year under report.

1.	Shri S. C. Padhy	-	Director (w.e.f 20.12.2012)
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40. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

1. That in the preparation of the Annual Accounts for the financial year ended 31st March, 2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
2. That the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the profit or loss of the Company for the year under review;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

41. CORPORATE GOVERNANCE

A report on Corporate Governance is attached to this report as Annexure - II.

42. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

"Management Discussion and Analysis Report" is attached to this report as Annexure-III.

43. C & A G COMMENTS

Comments of the Comptroller & Auditor General of India on the Accounts of the Company for the year ended 31st March, 2013 are placed at Annexure-IV to this report.

44. AUDIT COMMITTEE

The Committee has been reconstituted from 27th January, 2012 with the following members.

- | | | | |
|----|---------------------|---|--------------------------------|
| 1. | Shri M.B. Sridharan | - | Director, MCL Board - Chairman |
| 2. | Shri Abdul Kalam | - | Director, MCL Board - Member |
| 3. | Dr. A.K. Rath | - | Director, MCL Board - Member |
| 4. | Dr. Ashok Kumar | - | Director, MCL Board - Member |
| 5. | Shri A.K.Singh | - | Director, MCL Board - Member |
| 6. | Shri S.K. Singh | - | Director, MCL Board - Member |

44.1 The scope of work

1. Review of financial statement.
2. Periodical review of internal control system.
3. Review of Govt. Audit and Statutory Auditor's Report.
4. Review of operational performance vis-à-vis standard parameters.
5. Review of projects and other capital scheme.
6. Review of internal audit findings/ observations.
7. Development of a commensurate and effective internal audit functions in MCL.
8. Special studies, investigation of any matter including issue referred to by the Board.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee can meet as often as desired but is expected to meet at least once in a Quarter.

45. COST RECORDS

Maintenance of Cost records for the Company, as per Section 209(1)(d) of the Companies Act, 1956 has been prescribed by the Central Government w.e.f. 01.04.2011. The Company produces only one product, i.e. Coal and has a continuous integrated system of recording, determining and reporting element-wise cost with break up of cost including overheads and reconciliation of cost report at regular interval. The compliance report as applicable for the financial year 2011-12 is attached at Annexure-V to this report.

46. PERFORMANCE AGAINST MOU PARAMETERS

46.1 The performance of MCL against MoU for 2012-13 signed between CMD, MCL and Chairman, CIL as per the Guidelines of Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India, has been prepared and audited by the Statutory Auditors of the Company (Annexure-VI). The overall MoU rating of your Company for the year 2012-13 based on physical and financial performance is 'EXCELLENT'.

47. SUBSIDIARY ACCOUNTS FOR THE SHAREHOLDERS OF CIL

Pursuant to General Circular No. 2/2011 dated 08.02.2011 of Ministry of Corporate Affairs, the Annual Accounts of MCL would be available at MCL Headquarters for inspection and providing relevant information to the shareholders of CIL on demand.

48. ACKNOWLEDGEMENTS

48.1 Your Directors express their sincere thanks to the Ministry of Coal and Coal India Limited for their valuable assistance, support and guidance. Your Directors also thank the various Ministries of the Central Government and the State Government of Odisha for their valuable support. The Directors are thankful to the sister organisations for the co-operation and assistance rendered by them.

48.2 Directors place on record their deep sense of appreciation for the co-operation extended by the Trade Unions and Officers' Association for the team spirit shown, valuable and sterling services rendered by the employees at all levels towards the achievement of the objectives of the Company and its all-round growth.

48.3 The Directors also thank the valued customers profusely for their continued support, patronage and encouragement without which the Company would not have emerged so strong.

48.4 The Directors also record their appreciation of the services rendered by the Auditors, the officers and staff of the Comptroller & Auditor General of India and Registrar of Companies, Odisha.

48.5 The Directors also extend their thanks to various important citizens of Sambalpur and those residing in the coalfield areas of Odisha for their co-operation from time to time.

49 . ADDENDA

The following papers are annexed.

1. Information as required to be given in the Directors' Report under Section 217(1) (e) of the Companies Act, 1956.
2. Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956.
3. Addendum to the Directors' Report under Section 217(3) of the Companies Act, 1956.
4. Statement pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in Subsidiary Companies.
5. Cost Compliance Report for the year 2011-12.
6. Pursuant to CIL directive, parameter-wise details of performance as per MoU for the year 2012-13.

Sd/-

(A. N. Sahay)

Chairman-cum-Managing Director

Sambalpur
Date : 17.05.2013

ANNEXURE - 1

ANNEXURE TO DIRECTORS' REPORT

Information as required to be given in the Director's Report under Section 217 (1)(e) of the Company's Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo.

I. (A). CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

(1) Electrical Energy

The highlights of this year's power position is furnished below with comparative statement :

- i) Specific consumption of power (for Coal) during 2012-13 is 2.85 kWh/T in comparison to 2.98 kWh/T for 2011-12 i.e. % reduction of 4.36%.
- ii) Specific consumption of power (for Composite Production) (i.e. Coal+O.B Removal) during 2012-13 has decreased from 2.08 kWh/Cu.M during 2011-12 to 1.97 kWh/Cu.M during 2012-13 i.e % reduction of 5.28%. (Target for 2011-12 was 2.50 kWh/Cu.M while for 2012-13, target was 2.45 kWh/Cu.M)
- iii) Power Factor Incentive availed during 2012-13 is for ₹141.23 lakh in comparison to ₹177.48 lakh during 2011-12.

(2) Fuel and Lubricants

Following steps were taken for reduction of consumption of Fuel and Lubricants :

- i) Periodical overhauling of engines and regular checking of filters, hoses and tyre pressure.
- ii) Maintenance of haul roads.
- iii) Regular checking of self-starters and introduction of maintenance free batteries.
- iv) Guidelines were issued by IED and approved by Director(Technical/O), MCL for minimizing the HSD consumption.

(b) Steps taken wherever feasible / possible for reduction in power consumption for effective conservation of energy

- i) To contain peak demand of power at a reduced level and to avail TOD (Time-of-the Day) incentive as maximum as feasible, regular loads, such as, pumping etc. are being operated during off-peak hours.
- ii) To reduce energy consumption by industrial pumps, steps have been taken, such as, maintenance effectiveness, optimization of delivery and suction sizes, use of floats, use of V.T pumps through bore-holes, deliveries and cables through bore-holes etc.
- iii) Use of LED lamps or CFLs instead of conventional lamps. Order for 500 numbers of 10 watt, LED, 453 numbers of 90 watt LED and 60 numbers of 45 watt LED lamps for replacing conventional lamps of 20 watt, 150 watt and 70 watt respectively. This is part of the sustainable development project under "Energy Management" head being implemented in Jagannath Area, Orient Area and MCL HQs. Under the project saving of electrical energy without sacrificing the performance is envisaged.
- iv) Use of electronic chokes in tubelights and electronic regulators for fans instead of conventional chokes and regulators.
- v) Regular cleaning of filters of air conditioners and ensuring that air-conditioned space is properly closed.

- vi) Avoiding loose connections and using proper size of fuses.
- vii) Optimum usage of transformer capacity thereby reducing transformer losses.
- viii) Ensuring minimum cable losses with proper size of cables, i.e. of rated capacity.
- ix) Maximum voltage near the load - In underground mine 3.3 kV/550V TSUs (Transwitch Units) have been placed so that sufficient voltage is made available to the loads/machineries for achieving better efficiency and rated output as well as prescribed life of the machineries.
- x) Power factor close to 98% has been maintained by using power capacitors thereby reducing energy loss.
- xi) Minimum transmission loss has been ensured by using proper sizes of overhead conductors.
- xii) Stage pumping/Intermediate pumping has been reduced to minimize energy loss.
- xiii) Ensuring exact size of electric motors in pumps.
- xiv) Use of higher sizes/recommended sizes of delivery lines and suction in pumps and avoiding throttling.
- xv) Ensuring no leakages in pipelines thereby improving pumping efficiency.
- xvi) Ensuring proper condition of bearings etc.
- xvii) To contain maximum demand close to the contract demand, close monitoring during peak hours are exercised by controlling non-productive load, i.e., resorting to load-shedding, if necessary. Capacitors of appropriate specification are being used to enhance power factor for dual benefit of reduced maximum demand as well as availing incentives on higher power factor from the Electricity Distribution Companies.

(c) Impact of measures of (a) for Energy Consumption and consequent impact on the parameters of production.

Description	2012-13	2011-12	%Gain over Previous year
Electrical Energy			
(i) Specific Consumption of Power (for Coal) in KWh/Tonnes	2.98	3.01	(-) 1 (F)
(ii) Specific Consumption of Power (for Composite Production) (i.e. Coal + O.B removal), in KWh/Cu.M.	2.08 (Target-2.50)	2.02 (Target-2.55)	(+) 2.97 (A)
(iii) Power Factor Incentive (Lakh)	177.48	307.31	(-) 42.80 (A)*
Fuel and Lubricants			
(i) Consumption of HSD, in ltrs/Cu.M of Composite Production	0.422	0.431	(-) 2.088
(ii) Consumption of Liquid lubricants, in ltrs/Cu.M of Composite Production	0.0155	0.0164	(-) 5.48
(iii) Sp. Consumption of Petrol (for Coal) Composite production in ltrs/Tonne	0.000139	0.000122	(+) 13.93 (A)
(iv) Sp. Consumption of Petrol (for Composite Production i.e. Coal + O.B removal), in ltrs/Cu.M.	0.000087	0.000082	(+) 6.09 (A)
(v) Consumption of HSD, in ltrs/Tonne of Coal Production	0.4695	0.487	(-) 3.593
(vi) Consumption of Liquid lubricants, in ltrs/Tonne of Coal Production	0.0173	0.0185	(-) 6.48
(ix) Specific cost of POL, in /Tonne	22.41	22.96	(-) 2.39

F – Favourable

A – Adverse

B. FOREIGN EXCHANGE EARNING AND OUTGO

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products export activities services and export plans. : Company is not engaged in export activities

- (ii) Foreign Exchange used and earned

(₹in Crore)

Description	Current Year	Previous Year
(a) Foreign Exchange used :		
(i) CIF value of imports		
a) Components, Stores and Spare parts	2.96	-
b) Capital goods	1.28	5.97
(ii) Traveling	0.03	0.03
(iii) Interest	2.05	2.03
(iv) Others	-	-
(b) Foreign Exchange earned	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

Corporate Governance as a business philosophy is being integrated more deeper in to the organisational system of Mahanadi Coalfields Limited(MCL) with an aim to ensure transparency, greater organisational justice and Corporate sustainability.

With the directives from the Central Government for complying with the Guidelines on Corporate Governance from 2010-11, the Guidelines have been re-looked with fresh perspective and due diligence.

Equity, justice, transparency, accountability etc. being touchstones of good governance have been accepted as core values to be practised to the best extent in every sphere of business activities pertaining to MCL.

BOARD OF DIRECTORS

In adherence to the principle of optimum combination of functional, nominee and independent Directors on the Board, the Board of Directors of MCL is comprised of 10 (ten) Directors as on 31.03.2013 categorized as below.

- a) 4 (four) Functional Directors including Chairman-cum-Managing Director.
- b) 2 (two) Official part-time Directors (Nominee)
- c) 4 (four) Non-official part-time Directors.

Besides, Chief Operation Manager, East Coast Railway, Bhubaneswar is also appointed as a Permanent Invitee to the Board.

The Board met nine (9) times during the year 2012-13 with attendance of Directors exceeding 67% on average and gap between two meetings remaining less than three months.

A table is prepared with details on composition of the Board, attendance of the Directors individually and number of Directorship in other Companies.

Name & Designation	Category	Board meetings		Directorships in Other Companies	Membership in other Committees	
		Held during the tenure	Attended		Audit Committee	Other Committees
Shri A.N. Sahay	Functional	09	09	Nil	Nil	02
Shri A.K. Singh	Functional	09	09	MNH Shakti Limited	01	03
Shri A.K. Tiwari	Functional	09	06	(i) MJSJ Coal Limited (ii) NPTCPL	Nil	04
Shri S.C. Padhy	Functional	06	06	MJSJ Coal Limited	Nil	03
Shri Kulamani Biswal	Functional	09	09	(i) MNH Shakti Limited (ii) MJSJ Coal Limited (iii) MBPL (iv) NPTCPL	Nil	04

MAHANADI COALFIELDS LIMITED

Name & Designation	Category	Board meetings		Directorships in Other Companies	Membership in other Committee	
		Held during the tenure	Attended		Audit Committee	Other Committee
Dr. A.K. Rath	Non-official part time	09	08	(i) Coal India Limited (ii) Mangalore Refinery and Petrochemicals Limited	01	02
Shri M.B. Sridharan	Non-official part time	09	08	(i) M/s Navia Markets Limited (ii) MJSJ Coal Limited (iii) Mahanadi Basin Power Ltd. (iv) M/s First Leasing Company India Limited.	01	03
Dr. Ashok Kumar	Non-official part time	09	09	(i) Swarniya Real Estate Private Ltd. (ii) MNH Shakti Limited	01	02
Shri Abdul Kalam,	Non-official part time	09	09	(i) NMDC Limited (ii) Mahanadi Basin Power Limited	01	02
Shri B.K. Saxena	Official part time	06	04	(i) Coal India Limited (ii) Northern Coalfields Limited	Nil	02
Shri S.K. Singh	Govt. Nominee	09	06	Central Coalfields Limited	01	01

Certain items of governance like the Half-yearly and Annual Accounts, Capital Expenditure, Coal sale Contracts, Manpower Budgets, Statutory Compliance Reports etc. are reserved for Board's review and approval.

REMUNERATION OF DIRECTORS

(A) Whole time Directors

Name	Relationship with other Directors	Business relationship with the Company, if any	<u>REMUNERATION FOR THE YEAR 2012-13</u> All elements of remuneration package i.e. Salary, Performance linked incentive Scheme, PF contribution, Pension, etc.(₹)
Shri A.N. Sahay	Nil	CMD	34,46,256.24
Shri A.K. Singh	Nil	Director(Tech/P&P)	26,96,462.44
Shri A.K. Tiwari	Nil	Director(Tech/ OP.)	26,10,413.77
Shri S.C. Padhy	Nil	Director(Personnel)	16,25,464.33
Shri Kulamani Biswal	Nil	Director(Finance)	26,24,862.02

(B) Part-time Directors

No remuneration is paid to the Part-time Directors by the Company.

(C) Non official Part- time Directors

No remuneration except Sitting Fee for attending the Board/Committee meetings is paid to the Non-official Part-time Directors.

(D) Service Contracts, Notice Period, Severance Fees :

All the Functional Directors of the Company are appointed by the Hon'ble President of India. The appointment may be terminated by either side on 3 months notice or on payment of 3 months salary in lieu thereof.

COMMITTEES OF THE BOARD :**I. Audit Committee**

MCL believes that a well comprised Audit Committee with proper autonomy and defined scope of work can be an efficient machinery for smooth conduct of business. The Committee meets at regular intervals and addresses the issues as early as possible. Meetings of the Audit Committee are also very structured with proper agenda and action taken reports put in place timely.

The Audit Committee has access to financial and other data/information of MCL. Observation made by the Committee is reported to MCL Board. The Committee meets as often as desired but is expected to meet at least once in a Quarter.

Scope of work :

- a) Review of financial statement.
- b) Periodical review of internal control system.
- c) Review of Govt. Audit and Statutory Auditor's Report.
- d) Review of operational performance vis-à-vis standard parameters.
- e) Review of projects and other capital scheme.
- f) Review of internal audit findings/observations.
- g) Development of a commensurate and effective internal audit functions in MCL.
- h) Special studies, investigation of any matter including issue referred to by the Board.

Composition and meeting details of the Sub-committee :

The Audit Committee met for eight times on 20.05.2012, 01.08.2012, 27.08.2012, 05.11.2012, 04.12.2012, 03.01.2013, 06.02.2013 and 25.03.2013 during the year and the details of Directors attending the meetings are given as under.

SI. No.	Name	Status	No. of Meetings held during tenure	Attendace
1.	Shri M.B. Sridharan	Chairman	8	8
2.	Shri Abdul Kalam	Member	8	8
3.	Dr. A.K. Rath	Member	8	7
4.	Dr. Ashok Kumar	Member	8	8
5.	Shri A.K.Singh	Member	8	8
6.	Shri S.K. Singh	Member	8	2

In each Audit Committee meeting Director(Finance), Chief of Internal Audit, and Statutory Auditors are invited to clarify the matters relating to Finance, Accounts, Audit and Internal Control System.

In addition to the existing Audit Committee, following Sub-committees have been constituted in the 134th and 135th Board meeting during 2011-12, keeping in view, further strengthening of Company's strategic and technical decision making process, adherence to Corporate Governance in true letter and spirit, value addition through HR and urgency of R & R.

II. Technical Sub-committee:

Scope of Work :

Evaluation, appraisal and recommendation of projects for approval of MCL Board.

Composition and meeting details of the Sub-committee :

The Sub-committee met four times during the year, i.e. on 19.05.2012, 31.07.2012, 19.10.2012 and 24.03.2013 with attendance of members as under:

SL No	Name	Status	No of meetings held during tenure	Attendance
1	Shri A.N. Sahay	Chairman	4	4
2	Shri A.K. Singh	Member	4	4
3	Shri A.K. Tiwari	Member	4	3
4	Shri K. Biswal	Member	4	4
5	Shri M.B. Sridharan	Member	4	4
6	Shri Abdul Kalam	Member	4	4
7	Shri B.K. Saxena	Member	1	0

III. Corporate Governance, Strategic, Risk Management and Sustainable Development Sub-committee:

Scope of Work :

As regards to Corporate Governance :

- a. Regular monitoring of governance structure, principles and practices and recommending to the Board with regard to any change therein.
- b. Review of charters, composition, annual calendar for meeting and performance of all the Sub-committees of the Board including this Sub-committee.
- c. Reviewing the ethical performance of the Company and recommending measures for improvement.

As regards to Strategic Management :

- a. Facilitating to the Board in the formulation of strategic vision/mission/goal and objectives for the future of the Company and operationalising them into actionable details.
- b. Recommending to the Board with the Management, the strategic priorities to be fixed for the Company.
- c. Recommending to the Board with the Management, the annual action plans of the Company in all the major areas of the business in measurable details and in consistent with strategic priorities.
- d. Reviewing the progress in the achievement of the strategic goals of the Company

As regards to Risk Management :

- a. To review the Company's risk management strategy, policy, procedures if any, in existence and recommend to the Board changes required thereto.
- b. To define 'risk appetite' and 'risk tolerance' of the Company and monitor the Company's risk exposures.
- c. To review the Management's actions with regard to identifying, assessing, managing and monitoring of Company's material risks.
- d. To review the adequacy of risk management programs of the Company and recommend to the Board required changes, if any.

Composition and meeting details of the Sub-committee :

The CGSRMSD Sub-committee met five times during the year on 11.06.2012, 20.10.2012, 06.11.2012, 03.01.2013 and 30.01.2013 with attendance of members as under:

SL No	Name	Status	No of meetings held during tenure	Attendance
1	Dr. A.K. Rath	Chairman	5	4
2	Dr. Ashok Kumar	Member	5	5
3	Sri Abdul Kalam	Member	5	5
4	Shri M.B. Sridharan	Member	5	4
5	Shri A.K. Singh	Member	5	3
6	Shri A.K. Tiwari	Member	5	4
7	Shri S.C. Padhy	Member	3	3
7	Shri K. Biswal	Member	5	5
8	Shri S.K. Singh	Member	5	0

IV. Human Resource Management and Remuneration (HRMR) Sub-committee:**Scope of Work :**

As regards to Human Resource Management :

- a) Recommending with the Management, to the Board strategic initiatives focused to address the HR issues.
- b) Periodic reviewing with the management, of the existing Policies/Rules/ Regulations/ Manuals/Guidelines related to recruitment, transfer, promotion, training and development, retention, deputation, succession, performance, reward system and recommending to the Board regarding change if any, required therein.
- c) Recommending to the Board with the management any new HR focused policy.
- d) Recommending to the Board on undergoing foreign training by the Board level and below Board level Executives and Supervisors if so, required.
- e) Recommending with the management to the Board on the annual financial budgetary allocations towards training and development, employee welfare, public relations along with annual forecast and budget of manpower for the Company.

As regards to Remuneration :

- a. Deciding on PRP in the line with directives to be received from CIL and the concerned Ministry.
- b. Reviewing the incentive schemes if any, in vogue and recommending to the Board any change thereto.
- c. Reviewing the Production Improvement Schemes if any, in vogue and recommending to the Board any change thereto.

Any other significant pecuniary benefit payable to employees or Board level Executives that require Committee's deliberation, decision and recommendation.

Composition and meeting details of the Sub-committee:

The HRMR Sub-committee met five times during the year on 19.05.2012, 11.06.2012, 28.08.2012, 05.11.2012 and 05.12.2012 with attendance of members as under:

SL No	Name	Status	No of meetings held during tenure	Attendance
1	Dr. Ashok Kumar	Chairman	5	5
2	Dr. A.K. Rath	Member	5	5
3	Shri M.B. Sridharan	Member	5	5
4	Shri A.K. Tiwari	Member	5	2
5	Shri S.C. Padhy	Member	5	5
6	Shri K. Biswal	Member	5	5
7	Shri B. K. Saxena	Member	2	1

IV. Sub-committee for Land Oustee Cases :**Scope of Work :**

To consider and approve all the cases of employment, cash compensation etc. as per existing norms of R&R Policy being followed by the Company

Composition and meeting details of the Sub-committees :

The Sub-committee for Land oustee cases met fifteen times during this year with attendance of members as under:

SL No	Name	Status	No of meetings held during tenure	Attendance
1	Shri A.N. Sahay	Chairman	15	15
2	Shri A.K. Singh	Member	15	14
3	Shri A.K. Tiwari	Member	15	14
4	Shri S.C. Padhy	Member	11	11
5	Shri K. Biswal	Member	15	13

STATUTORY AUDITORS

Under Section 619(2) of the Companies Act, 1956, the following Audit Firms were appointed as Statutory/Branch Auditors for the year 2012-13.

Statutory Auditors

M/s PAMS & Associates.
Chartered Accountants
Plot No. 506A, Unit-IX,
Bhubaneswar-751022

Branch Auditors

M/s SCM Associates
Chartered Accountants
98, Kharvel Nagar, Keshari Talkies Complex
1st Floor, Bhubaneswar - 751 001

Type of Audit	Remuneration (₹)	Remarks
Statutory Audit for the year 2012-13	7,06,250.00 (4,25,000.00 for Principal Auditors 2,81,250.00 for Branch Auditors)	Out of Pocket Expenses (OPE) is ₹2,82,500.00 (Rs.1,70,000.00)for Principal Auditors and ₹1,12,500.00 for Branch and Auditors) in addition to reimbursement / payment of travelling expenses on actual basis and applicable Service Tax payable thereon.
Tax Audit for the Year 2012-13	1,42,000.00	Out of Pocket Expenses (OPE) ₹56,500.00 and applicable Service Tax payable thereon.
Audit for consolidation	62,500.00	Out of Pocket Expenses (OPE) ₹20,000.00 and applicable Service Tax payable thereon.
Compliance with the conditions of Corporate Governance	50,000.00	Including Out of Pocket Expenses (OPE) and applicable Service Tax payable thereon.
Performance on MoU Parameters	2,12,500.00	Out of Pocket Expenses(OPE) at actual subject to ₹1,06,250.00 and applicable Service Tax payable thereon.

General Meetings of Shareholders :

Details of the General Meetings of the Shareholders held during last 3 years :

Annual General Meeting :

Year	Date	Time	Location	Special Resolution, if any
2009-2010	20.05.2010	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2010-2011	28.05.2011	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil
2011-2012	24.05.2012	11.00 AM	Mahanadi Coalfields Limited, Jagruti Vihar, Burla, Sambalpur	Nil

Extraordinary General Meeting : NIL**Code of business conduct and ethics for Board members and Senior Management Personnel in MCL.**

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management Personnel in its 94th meeting held on 29th March, 2008 at Kolkata and the same has been posted at Company's website www.mcl.gov.in.

Risk Management :

Due importance is given for risk identification, assessment and its control in different functional areas of the Company for an effective risk management process because of inherent risk, external and internal, necessary control measures are regularly taken. Acquisition of land, forest clearance, land oustee problems are some of the critical factors which are monitored continuously by the Management. Due importance is also given to the internal factors like preventive maintenance of machinery, security, industrial relations etc. for ensuring smooth operation of the Company. At an apex level, a separate Sub-committee of the Board has been formed in the year 2011-12 for reviewing the functioning of risk management mechanism at MCL.

Whistle Blower Policy :

Being a Govt. Company, the activities of the Company are open for audit by C&AG, Vigilance, CBI etc. However, despite the general application of CIL's Whistle Blower Policy, an adoptable version of the same for MCL is also being worked out.

Accounting Treatment :

The Financial Statements are prepared in accordance with the applicable mandatory Accounting Standards and relevant requirements under the Companies Act, 1956.

Means of Communication :

Operational and Financial Performance of the Company are published in Leading English Newspapers and also in local dailies. In addition to above, the financial results are displayed in the Company's Website.

Audit Qualifications :

It is always the Company's endeavour to present unqualified Financial Statements. Management Reply to the Statutory Auditors' observations on the Accounts of the Company for the year ended 31st March, 2013 are furnished as an Annexure to Directors' Report. Comments of the Comptroller & Auditor General of India under Section 619(4) of the Companies Act, 1956 on the Accounts of MCL for the year ended 31st March, 2013 is also enclosed.

Training of Board Members :

The Functional Directors, by virtue of their possessing the requisite expertise and experience in their respective functional areas, are aware of the business model of the Company as well as the risk profile of the Company's business. The Part-time Directors are fully aware of the Company's business model. But having aimed at better familiarity with Corporate Governance practices, the Independent Directors are nominated for undergoing training programmes organised by Top Institutions. In the year 2012-13, nomination of two Independent Directors to one such programme has been made. A suitable Training Policy for Directors in line with DPE Guidelines on Corporate Governance is also in place.

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Mahanadi Coalfields Limited.

We have examined the compliance of conditions of Corporate Governance by Mahanadi Coalfields Limited (hereinafter referred as "the Company") for the year ended on March 31, 2013, as stipulated in Department of Public Enterprises, Government of India (DPE) Guidelines on Corporate Governance.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PAMS & Associates.
Chartered Accountants

Sd/-
(CA M.P. Mahapatra)

Partner

Membership No.055113

Firm Registration No. 316079E(ICAI)

Place : Camp Burla
Date : 16th May, 2013

MAHANADI COALFIELDS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

Coal - primary source of Energy :

Coal is the dominant, sustainable and reliable source of energy. Globally, use of coal for commercial energy has been going down since 1950, largely because of environmental considerations and availability of cheap oil and gas. However, in India the scenario is totally different. Here coal is likely to play a dominant role in power generation because of its abundant reserve and cheap availability coupled with limited oil reserve within the country.

Coal Reserve:

Coal accounts for 97% of the fossil resources in our Country .The National Coal Inventory places the hard coal resources at 298.914 Billion upto 1200 meter depth in 67 different Coalfields as on 01.04.2013, details are as below:

SL.NO	STATE	NO. OF CF	COAL RESERVE (BT)	% OF INDIA
1	JHARKHAND	12	80.701	27.00
2	ODISHA	02	73.710	24.66
3	CHHATISGARH	13	52.169	17.45
4	W.BENGAL	04	31.383	10.47
5	M.P	08	25.061	8.38
6	A.P	01	22.207	7.43
7	MAHARASTRA	05	10.964	3.67
8	U.P	01	1.062	0.36
9	BIHAR	01	0.160	0.05
10	NE STATE	20	1.597	0.53
TOTAL		67	298.914	100.00

Odisha stands 2nd to Jharkhand in the reserve position in India. Total coal reserve of Odisha as on 1st April, 2013 is estimated to be 73.71 Billion Tonnes which is around 24.66 % of the total National coal reserves. The two Coalfields of Odisha, namely Talcher and IB Valley Coalfields are under its command area of MCL, Talcher being the largest Coalfields (49.95 BT) and IB Valley being the 4th largest (23.76 BT) Coalfields of India. Out of 73.71 Billion Tonnes of coal reserve, the proved coal reserve is 27.28 BT (37.01%).

Talcher and IB Valley Coalfields of Odisha are the store house of huge thermal grade non-coking coal having most favourable quariability prospects. Demand of coal for thermal plants of existing and proposed ones of southern and western India is in a growing trend.

Coal Demand :

Talcher and IB Valley Coalfields of Odisha are the store house of huge thermal grade non-coking coal having most favourable quariability prospects. Demand of coal for thermal plants of existing and proposed ones of Southern and Western India is in a growing trend.

The Working Group for Coal and Lignite for formulation of XIIth Plan has assessed a coal demand of 980.50 at a Compounded Annualized Growth Rate (CAGR) of 7.09 in terminal year of XIIth Plan i.e. 2016-17. Demand for 2013-14 is 769.69 Mt. The detail is as given below:

(Figures in Mt.)

Sector	2013-14	2016-17
Steel (Coking)	53.98	67.20
Power (U)	535.00	682.08
Power (Captive)	46.14	56.36
Cement	30.00	47.31
Steel DRI	35.00	50.33
Others	69.57	77.22
Total Non-coking	715.71	913.30
Total	769.69	980.50

Coal off-take and dispatch :

Off-take programme of CIL for the year 2013-14 has been pegged at 492.00 Mt out of which share of MCL is 123.30 Mt (25.06 %).

Sector-wise coal off-take of MCL for XI Plan and projection for 1st & 2nd year of XIIth Plan:

(Fig. in Mt.)

Sector	XI Plan						XII Plan 2013-14 BE
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 ACTUAL	2011-12 Actual	2012-13 Actual	
Power	68.09	70.47	70.88	74.73	77.11	88.16	102.20
Cement	0.19	0.17	0.26	0.27	0.23	0.348	0.44
Fertilizer	-	-	-	0.02	0.026	0.060	-
Others	15.35	20.06	27.01	27.07	25.16	23.396	20.66
Total	83.63	91.30	98.15	102.09	102.52	111.964	123.30

Mode-wise coal movement plan of MCL for XI Plan and 1st & 2nd year of XIIth Plan :

(Fig. in Mt.)

Sector	XI Plan						XII Plan 2013-14 BE
	2007-08 Actual	2008-09 Actual	2009-10 Actual	2010-11 ACTUAL	2011-12 Actual	2012-13 Actual	
Rail	51.68	54.18	55.84	59.24	60.310	68.727	81.01
Road	12.16	18.68	23.35	25.12	25.623	25.219	22.42
MGR	18.59	17.08	17.37	16.11	14.797	16.191	18.00
Others	1.20	1.36	1.59	1.62	1.791	1.819	1.87
Total	83.63	91.30	98.15	102.09	102.521	111.959	123.30

Coal Availability :

The indigenous all India coal production assessed in the terminal year of XIIth Plan is projected to be 715 Mt by Working Group of XIIth plan. The projection of coal production from CIL during the terminal year of XIIth plan is 556.40 Mt as per XIIth Plan document.

The actual coal production in the 1st year of XIIth Plan period i.e. 2012-13 and production projection during the 2nd year of XIIth Plan i.e. 2013-14 from existing mines, completed projects and on-going projects in MCL, is given below.

(Fig. in Mt)

Sector	XI Plan					XII Plan 2013-14 BE
	2008-09 Actual	2009-10 Actual	2010-11 ACTUAL	2011-12 Actual	2012-13 Actual	
Existing Mines	1.32	1.35	1.32	1.333	0.967	1.23
Completed Projects	64.85	71.19	73.27	66.645	67.344	72.52
On-Going and New Projects	30.17	31.54	25.69	35.140	39.584	46.52
Total	96.34	104.08	100.28	103.118	107.895	120.00

Productivity :

In MCL the major share of coal production from OCPs is done contractually and OBR is done departmentally. In few projects OBR has also been outsourced. The OMS position of MCL is as below:

(Figures in Tonnes/Manshift)

Type	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 BE
UG	1.25	1.29	1.25	1.24	0.97	1.05
OC	23.05	18.89	20.50	20.38	21.34	22.66
OVERALL	16.59	14.66	15.37	15.36	16.07	16.88

B. OPPORTUNITIES AND THREATS

Opportunities :

- Huge demand of coal in the country especially for power generation.
- Huge potentiality of coal mining in MCL
- Power Plants located in the northern India are also linked to MCL.
- To formulate a sound marketing strategy and Long term agreement with Consumers, Railways and Shippers.
- To set up washeries
- Diversification to power
- JV for coal gasification and coal to liquid (oil).

Threats :

- Coal amenable to opencast mining - requirement of more land.
- Land acquisition and consequent social displacement.
- Rehabilitation and resettlement issues.

- Proneness of opencast mining to Environmental pollution.
- Inadequacy of Railways in coal transportation.
- Majority of consumers are far away from Coalfields i.e. increase in rail freight means high landed cost to the consumers.
- MoEF stipulation for use of 34% ash content coal (mostly available in MCL) by Power Houses beyond 500 Km.
- The Coastal based TPPs have option to use imported coal.
- Captive Mining – allotment of blocks to MCL's consumers, some Central PSUs and State PSUs, for power generation and coal mining by State Govt. Companies for sale of coal in the market.

C. PERFORMANCE:

Covered in the main report.

D. OUT LOOK

Members may be aware that at present, there are 31 completed projects in MCL with rated capacity of 88.58 Mt, out of which 02 projects with rated capacity of 1.60 Mt have been exhausted during XI Plan period. There are 18 On-going projects under implementation (as on March, 2013) with rated capacity of 116.78 Mt. Production from these on-going projects during 2012-13 is 39.584 Mt.

Basundhara Area (known as Gopalpur Tract) of IB Valley Coalfields has enough potentiality, but the only bottleneck is coal evacuation arrangement. Your Company has planned and approved a 52 Km long railway line from Basundhara Area to Jharsuguda Railway Station at capital investment of ₹469.68 Crore. Two MoUs have been signed between MCL and South East Railway for land acquisition and construction of the railway line. Land acquisition work is in progress and construction work has been started. The scheduled date of completion of the railway line is 36 months to be reckoned from 09.03.2009. Now the project is delayed due to acquisition of forest land which is pending for want of NOC under FRA-2006 and also construction of one major bridge over IB river is under execution. An amount of ₹246.53 Crore has been paid to South East Railway.

Similarly, in Talcher Coalfields, construction of Kalinga-Angul link railway line is going on. Once this segment is completed, there will be unidirectional movement of empty rail rakes from Angul side and the loaded rakes will be evacuated through Talcher side. This will double the rake movement capacity of Talcher Coalfields.

To further increase the coal dispatch system, Rapid loading system (SILO) will be constructed in 10 projects including two JV projects. The details are as follows:

Sl.No	Name of the related OC Project	Capacity	Sl.No	Name of the related OC Project	Capacity
1.	Ananta OCP	15 Mty.	6.	Kaniha OCP	10 Mty.
2.	Lingaraj OCP	16 Mty.	7.	Balaram OCP	8 Mty.
3.	Bharatpur OCP	15 Mty.	8.	Kulda OCP	10 Mty.
4.	Bhubaneswari OCP	20 Mty.	9.	MJSJ (Gopalprasad)	15 Mty.
5.	Hingula OCP	15 Mty.	10.	MNH Sakti (Talabira)	20 Mty.

MCL is also planning to set up 04 number of washeries of its own, 10.0 Mty capacity each, to cope up with the MoEF stipulation to dispatch coal below 34% ash at distant power houses. Out of these, two washeries will come up in Talcher Coalfields, one in IB Valley Coalfields and one in Basundhara Sector of IB Valley Coalfields. The Techno-economic feasibility Report of all these washeries on BOM basis have been approved by MCL Board.

E. RISKS AND CONCERNS :

Mining is site specific and location of a mine can not be changed. Following risks and concerns are involved :

- Delay in obtaining forestry clearance and environmental clearance.
- High cost of Rehabilitation and resettlement
- Demand of employment beyond the prescribed norms resulting in frequent law and order problem and obstruction of mining and coal transportation operation.
- Long lead time to procure HEMMs and other E&M items.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Covered in the main Report.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Covered in the main report.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :

Covered in the main report.

I. ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATION.

Covered in the main report.

J. CORPORATE SOCIAL RESPONSIBILITY

Covered in the main report.

**COMMENTS OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF MAHANADI COALFIELDS LTD.
FOR THE YEAR ENDED 31st MARCH, 2013**

The preparation of financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16.5.2013.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Mahanadi Coalfields Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the Accounting Records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Yashodhara Ray Chaudhri)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board – II
Kolkata

Kolkata

Dated : 20.05.2013

COMPLIANCE REPORT

We Niran & Co. Cost Accountants, having been appointed as Cost Auditor under Rule 5 of the Companies (Cost Accounting Records) Rules, 2011 of Mahanadi Coalfields Limited having its registered office at Jagruti Vihar, Burla, Sambalpur, Odisha-768020 (hereinafter referred to as the company), have examined the books of account prescribed under clause (d) of sub-section (1) of section 209 of the said Act, and other relevant records for the financial year 2011-12 and certify as under :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this compliance report.
2. In our opinion, proper cost records, as per Companies(Cost Accounting Records) Rules, 2011 prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, have been maintained by the Company so as to give a true and fair view of the cost of production, cost of sales and margin of all the products/activities of the company.
3. Detailed unit-wise and product/activity-wise cost statements and schedules thereto in respect of the product groups/activities are kept in the company.
4. In our opinion, the said books and records give the information required by the Companies Act, 1956 in the manner so required.
5. In our opinion, the said books and records are in conformity with the generally accepted cost accounting principles and cost accounting standards issued by The Institute of Cost Accountants of India; to the extent these are found to be relevant and applicable.

For Niran & Co.
Cost Accountants
Firm Registration No.000113

Sd/-
(Niranjan Mishra)
Partner No- M/13060

Place : Bhubaneswar
Date : 5th December, 2012

REPORT OF AUDITOR

We have verified relevant books / records / documents / statements of Audited Accounts of Mahanadi Coalfields Limited (MCL) for the year ended 31st March, 2013 and certify that the actual performance stated in attached Performance Evaluation Sheet with respect to static/ financial and dynamic parameters are calculated in terms of guidelines for MoU for the year 2012-13 issued by Ministry of Heavy Industries and Public Enterprises and are found to be correct.

For PAMS & Associates,
Chartered Accountants

Sd/-

(CA M.P. Mahapatra)

Partner

Membership No-055113

Firm Registration No.316079E(ICAI)

Date : 16th May, 2013

Place : Camp Burla

MEMORANDUM OF UNDERSTANDING - 2012-13

76

Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April '12 to March '13)	Rank	Score
			Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
1 Static / Financial Parameters										
(a) Financial Indicators - Profit related ratios										
(i) Gross Margin / Gross Block		2	1.1067	1.08222	1.0281	0.9767	0.9279	1.324	1.000	0.02
(ii) Net Profit / Net Worth		10	0.3878	0.3796	0.3606	0.3426	0.3255	0.457	1.000	0.10
(iii) Gross Profit / Capital Employed		10	0.2990	0.2931	0.2784	0.2645	0.2513	0.370	1.000	0.10
(b) Financial Indicators -Size related										
(i) Gross Margin	₹ Cr.	8	5367.69	5248.59	4986.16	4736.85	4500.01	6202.77	1.000	0.08
(ii) Net Sales	₹ Cr.	4	9473.68	9306.63	8841.30	8399.23	7979.27	10022.49	1.000	0.04
(c) Financial Returns- Productivity related										
(i) PBDIT / Total Employment	₹ Cr. / Employment	7	0.2183	0.2135	0.2028	0.1927	0.1830	0.281	1.000	0.07
(ii) Added Value / Net Sales		9	0.3895	0.3844	0.3652	0.3469	0.3296	0.48	1.000	0.09
Sub Total		50.00								0.50
2 Dynamic Parameters										
(d) Quality & Customer Satisfaction										
(i) Despatch covered under agreed sampling to power sector	(%)	1.5	99.00	98.00	97.00	96.00	95.00	100	1.000	0.015
(ii) Sized coal Despatch to power sector by rail	(%)	1	99.00	98.00	97.00	96.00	95.00	100	1.000	0.01
(iii) Establishing mechanism through website for handling of consumers complaint and no complaint should be kept pending for more than 3 months.	(%)	0.5	90	80	70	60	50	Establishing mechanism through website for handling of consumers complaint started and no complaints received.	1.000	0.005
(iv) Offering of FSA to Power plant having PPA as per latest Govt. directions.	Date	1	07.05.2012	22.5.2012	07.06.2012	22.06.2012	07.07.2012	Offer had been given before 07.05.2012 to all power plants having PPA for signing FSA.	1.000	0.010
(f) Human Resource Development- HRM										
(i) Human Resource Development- HRM		3	As per	annexure XIV						0.0408
(ii) Certified training in Project Management	No of Executives	1	5	4	3	2	1	11 Nos.	1.000	0.01

Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'12 to March '13)	Rank	Score	
			Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5				
(iii) Certified training in Contract Management	No of Executives	1	5	4	3	2	1	8 Nos.	1.000	0.01	
(g&h) R & D /Adoption of innovative Practices Three Projects in R&D		5.00 2.50	As per Annexure-XII								0.061
(i) Study on improvement of Specific Diesel consumption	Month	0.833	15-Feb- 2013	28-Feb- 2013	15-Mar- 2013	31-Mar- 2013		Achieved on 31.01.2013	1.000	0.0083	
(ii) Study on improvement of Specific Explosive consumption	Month	0.833	15-Feb- 2013	28-Feb- 2013	15-Mar- 2013	31-Mar- 2013		Achieved on 12.02.2013	1.000	0.0083	
(iii) Study on improvement of Power Factor.	Month	0.834	15-Feb- 2013	28-Feb- 2013	15-Mar- 2013	31-Mar- 2013		Achieved on 31.01.2013	1.000	0.0083	
Total R&D Expenditure(% of PAT of 2011-12)		2.50	0.50	0.45	0.40	0.35	0.30	Not Achieved	5.000	0.1250	
(i&J) Project Implementation		8.00								0.150	
(i1) Approval of Project											
(i) Stage I approval of Board of GarjanbahalOCP (10 Mty)	Month	1	Jan'2013	Feb'2013	Mar'2013			First Stage/ in-principle approval done by the MCL Board on 144th Board meeting held on 05.12.12	1.000	0.01	
(ii) Stage I approval of Board of Jagannath UG(1.342 Mty)	Month	1	Jan'2013	Feb'2013	Mar'2013			Not achieved	5.000	0.05	
(i2) Commissioning/completion of Projects											
(i) Completion of Kaniha and Hingula OCP Phase-II	Month.	0.25	Feb'2013	Mar'2013				Not achieved	5.000	0.0125	
(i3) (i) Notification u/s Sec 9 of CBA	Ha	1	650	625	600	575	550	665.407 Ha of land notified u/sec 9 as per the sanction order no. 2920 dated 17.12.2012	1.000	0.01	
(ii) Possession of Land	Ha	1	240	230	220	210	200	585.825 Ha Land possessed during 2012-13	1.000	0.01	
(i4) Capital Investment AP 2012-13	₹ in Crore	1	500	450	425	400	375	₹531.56 Cr.	1.000	0.01	

Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'12 to March '13)	Rank	Score
			Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
(i5) Major Project Activities / Milestones		2.75								
(i) Shifting of village padmabatipur of Bharatpur OCP	Month	0.25	Jun'12	Jul'12	Aug'12	Sep'12	Oct'12	Not achieved	5.000	0.0125
(ii) Shifting of village Rakas of Bharatpur OCP	Month	0.25	Jan'13	Feb'13	Mar'13			Not achieved	5.000	0.0125
(iii) EMP Clearance Bhubaneswari OCP: 20.00 Mty	Month	0.50	Feb'13	Mar'13				EMP Clearance of Bhubaneswari OCP for 20.00 Mty obtained in Nov'12	1.000	0.0050
(iv) Stage-I forestry clearance of 134.59 Ha forest land for Bharatpur OCP, Phase-II	Month	0.50	Feb'13	Mar'13				Stage-I forestry clearance received in March'2013	2.000	0.0100
(v) Award of work for SILO at Lingaraj OCP (16.00 Mty)	Month	0.50	Feb'13	Mar'13				Not achieved	5.00	0.025
(vi) Preparation of scheme for resettlement site for Balaram OCP (Kalamachhuin village) and approval by Development Authority of State Govt.	Month	0.50	Dec'12	Jan'13	Feb'13	Mar'13		30.07.2012	1.00	0.005
(vii) Completion of formalities of stage-I clearance for 224.73 Ha of Ananta OCP Phase-III (15 Mty)	Month	0.25	Feb'13	Mar'13				Not achieved	5.00	0.0125
										0.185
(k) Corporate Social Responsibility(CSR)		5.00								
1. Supply of drinking water during summer to peripheral villages	Month	0.80	Jun'12	Jul'12	Aug'12	Sep'12	Oct'12	Work Completed in June 2012	1.000	0.0080
2. Sinking of Tube Well in peripheral villages	Month	0.80	Feb'13	Mar'13				Work Completed in the month of Feb'13	1.000	0.0080
3. Health Camp in peripheral villages and visit of Mobile Medical Van to help economically back ward classes / villagers	Month	0.80	Feb'13	Mar'13				Work Completed in the month of Feb'13	1.000	0.0080
4. Repair and Re-construction of road from Handidhua chowk to Balaramprasad chowk and conveyer crossing at Chalagarh to central colony	Month	0.80	Feb'13	Mar'13				Work Completed in the month of Feb'13	1.000	0.0080
5. Excavation of Pond in peripheral villages	Month	0.80	Feb'13	Mar'13				Work Completed in the month of Feb'13	1.000	0.0080
(ii) Expenditure of CSR (0.5% of PAT of 2011-12)	%	1.00	100	90	80	70	60	Total Raget = ₹18.55 Cr Achieved 25.2496 Cr.	1.000	0.0100
										0.050

Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'12 to March '13)	Rank	Score
			Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5			
(l) Sustainable Development		5.00	As per Annexure - XIII							0.1300
(m) Corporate Governance									0.1300	
(i) Grading on the basis of compliance with guideline on Corporate Governance issued by DPE(Enclosed)	(%)	4	85 and above	75-84	60-74	50-59	<50	95.22	1.000	0.0400
(ii) Date of submission of DPE of Completed data-sheet for PE Survey	Date	1	15.09.2012	01.10.2012	15.10.2012	31.10.2012	After 31.10.12	Hard copy sent on 07.09.2012 and received by DPE on 09.09.2012	1.000	0.0100
3 Sector Specific Parameters:		6.00								0.0500
(i) Off-take * (Commensurate with the requirement in line with AAP target 2012-13.)	Mt.	3	114.95	113.75	108.06	102.66	97.53	111.964	2.31	0.0694
(ii) Coal Production (Assuming Liquidation as per programme without increasing stock)	Mt.	2	113.15	112.00	106.40	101.08	96.03	107.895	2.73	0.0547
(iii) Underground Production	Mt.	1	2.47	2.45	2.33	2.21	2.10	1.678	5	0.0500
										0.174
4 Enterprise -Specific Parameters		2								
4-a E-auction of coal	Mt	1	12.00	11.50	10.93	10.38	9.86	Achieved-17.812 MT	1.000	0.0100
4-b Man productivity (Output/Manshift) (Commensurate to corresponding Production target)	Te/Manshift	0.5	15.25	15.15	14.39	13.67	12.99	16.07	1.000	0.0050
4-c System Capacity Utilization -(Commensurate to corresponding Production target)	%	0.5	77.94	77.62	73.74	70.05	66.55	72.60	3.31	0.0165
4-d Safety		1								0.031
FATALITY RATE										
(i) Reduction in fatality rate (fatalities/ M. cum. of total material excavated from UG w. r. t previous FY.)	%	0.25	4	3	2	1		100	1	0.0025
(ii) Reduction in fatality rate (fatalities/ M. cum. of total material excavated from OC) w. r. t previous FY.)	%	0.25	4	3	2	1		75	1	0.0025

Evaluation Criteria	Unit	Weight (in %)	MoU / Target					Performance (April'12 to March '13)	Rank	Score	
			Excellent 1	Very Good 2	Good 3	Fair 4	Poor 5				
SERIOUS INJURY RATE											
(i) Reduction in serious injury rate(serious injury/ M.Cum. of total material excavated from UG) w. r. t previous FY.	%	0.25	4	3	2	1		(+) 20.00	5	0.0125	
(ii) Reduction in serious injury rate(serious injury/ M.Cum. of total material excavated from OC) w. r. t previous FY.	%	0.25	4	3	2	1		60	1	0.0025	
(n) Compliance of DPE Guidelines		4.00	NA as per guideline								0.020
i) Issue of Bonus Share											
(i) Reservation for SC, ST, OBC in appointment		1	Yes	Yes			No	Yes	1	0.0100	
(iii) Posting of Deputationists		0.5	Yes	Yes			No	Yes	1	0.0050	
(iv) Implementation of 2007 pay revision(Proforma -I)		1	10 out of 10	9 out of 10	8out of 10	7 out of 10	6out of 10	9 out of 10	2	0.0200	
(v) Switching over from CDA to IDA(Proforma-II)		1	4 out of 4	3 out of 4	2 out of 4	1 out of 4		4 out of 4	1	0.0100	
(vi) Submission of compliance of DPE Guidelines	Date	0.5	30.06.12	31.08.12	30.09.12	31.10.12	30.11.12	Letter issued to MoC on 22.6.12 & advance copy to DPE on 28.6.12 and email sent on 28.6.12 to Dir(MoU), DPE	1	0.0050	
Sub Total		50								0.941	
Grand Total		100								1.441	

MoU Rating - **EXCELLENT**

Sd/-
(A.N.SAHAY)
Chairman-cum-Managing Director
Mahanadi Coalfields Limited

Sd/-
(K.Biswal)
Director (Finance)
Mahanadi Coalfields Limited

For PAMS & Associates
Chartered Accountants
Sd/-
(CA Mahesh Prasad Mahapatra)
Partner
Membership No-055113

INDEPENDENT AUDITORS' REPORT

To

THE MEMBERS OF
MAHANADI COALFIELDS LIMITED.

1. Report on the Financial Statements

We have audited the accompanying financial statements of MAHANADI COALFIELDS LIMITED which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information. These financial statements include figures in respect of six Areas and one Central Workshop of Talcher Field audited by Branch Auditors.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the Accounting Estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. Opinion

(a) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Accounting Policies (Note No.33), and the Additional Notes on Accounts (Note No. 34) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We have placed reliance on:

- (a) The technical data submitted by the Management in respect of Advance Stripping, Coal Exposed, Average/Standard Ratio, Current Ratio, Ratio Variance etc., in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost;
 - (b) The mine closure plan prepared by Central Mine Planning & Design Institute Limited (CMPDIL) and approved by the Management of the Company for the purpose of making provision towards Mine Closure expenses.
5. The Management's evaluation/ estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.
6. Report on Other Legal and Regulatory Requirements
1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branched not visited by us];
 - c. The Branch Auditor's Reports for six Areas and one Central Workshop of Talcher Coalfields forwarded to us have been appropriately dealt with while preparing our report;
 - d. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account [and with the audited returns received from branches not visited by us];
 - e. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - f. In terms of Government of India, Department of Company Affairs Notification No.GSR 829(E) dated 21st October, 2003, Government Companies are exempted from the applicability of provisions of Section 274(1)(g) of the Companies Act, 1956;
 - g. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For PAMS & Associates,
Chartered Accountants
Sd/-

(CA M.P. Mahapatra)
Partner

Membership No.055113
Firm Registration No.316079E(ICAI)

Date : 16th May, 2013
Place : Camp Burla

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph (5.1) of our report of even date to the members of MAHANADI COALFIELDS LIMITED for the year ended 31st March, 2013. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that the fixed assets of the Company have been physically verified by the Management during the year. As per information and explanations available, no material discrepancies have been observed on such verification. In some of the areas the shortage/excess found during physical verification have remained unadjusted in the assets register.
- (c) According to the information and explanations provided to us, substantial part of fixed assets have not been disposed off during the year, which might affect the going concern concept.
- (ii) (a) As explained to us, stocks of Coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers/contractors) have been physically verified by the Management in accordance with the phased programme.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. The discrepancies between physical stocks and book records, arising out of physical verification, which were not material for the Company as a whole, have been properly dealt with in the Books of Account.
- (iii) According to the information and explanations given to us:
 - (a) The Company has not granted any loan secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (b), (c) and (d) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest and overdue amount are not applicable.
 - (b) On the basis of the examination of record we notice that short-term loan and both interest bearing and interest free are given to Coal India Limited, the holding company and its Subsidiaries.
 - (c) The Company has not taken any loan secured or un-secured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (f) and (g) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest overdue amount are not applicable.
- (iv) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.

- (b) In view of clause (v)(a) above, the clause (v)(b) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for reporting.
- (vii) The Company has an internal audit system, which is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determining whether they are accurate or complete
- (ix) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, VAT, Wealth Tax, Customs Duty, Excise Duty and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanations given to us, details of disputed dues in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2013, are given below:

<i>Name of the Statute</i>	<i>Total Amount (₹ in crore)</i>	<i>Name of the Forum where dispute is pending</i>
<i>Central Sales Tax,</i>	<i>47.56</i>	<i>High Court, Tribunal and Commissionerate</i>
<i>Income Tax</i>	<i>729.49</i>	<i>High Court, Tribunal and Commissionerate</i>
<i>Central Excise Duty</i>	<i>142.24</i>	<i>With Central Excise Department</i>

The said amount has been deposited with Central Excise Department under Protest

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provision of paragraph 4 (xiii) of the Order is not applicable to the Company.
- (xiv) According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.

- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable.
- (xvii) On an overall examination of the Balance Sheet of the Company and according to information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures at the balance sheet date. Accordingly, Paragraph 4(xix) of the Order is not applicable.
- (xx) The Company has not raised any money through public issue as on the balance sheet date. Accordingly, Paragraph 4(xx) of the Order is not applicable.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Date : 16th May, 2013
Place : Camp Burla

For PAMS & Associates,
Chartered Accountants
Sd/-
(CA M.P. Mahapatra)
Partner
Membership No.055113
Firm Registration No.316079E(ICAI)

MANAGEMENT REPLY TO AUDITORS' REPORT
ADDENDUM TO DIRECTORS' REPORT
(UNDER SECTION 227 (2) AND 217 (3) OF THE COMPANIES ACT, 1956)

AUDITORS' REPORT

MANAGEMENT'S REPLY

To

The Member of
Mahanadi Coalfields Ltd.,
Jagriti Vihar, Burla
Sambalpur.

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|---|------------|
| 1. We have audited the accompanying financial statements of MAHANADI COALFIELDS LIMITED which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information. These financial statements include figures in respect of six Areas and one Central Workshop of Talcher Field audited by Branch Auditors. | No Comment |
| 2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. | No Comment |
| 3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free | No Comment |

AUDITORS' REPORT**MANAGEMENT'S REPLY**

from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the Accounting Estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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| <p>4.(a) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Accounting Policies (Note No.33), and the Additional Notes on Accounts (Note No. 34) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:</p> <p>i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;</p> <p>ii. in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and</p> <p>iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.</p> | <p>No Comment</p> |
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AUDITORS' REPORT	MANAGEMENT'S REPLY
We have placed reliance on:	
(a) The technical data submitted by the Management in respect of Advance Stripping, Coal Exposed, Average/Standard Ratio, Current Ratio, Ratio Variance etc., in the matter of Over Burden Accounting including adjustment for variation between standard ratio and current ratio of OBR cost;	No Comment
(b) The mine closure plan prepared by Central Mine Planning & Design Institute Limited (CMPDIL) and approved by the Management of the Company for the purpose of making provision towards Mine Closure expenses.	No Comment
5. The Management's evaluation/ estimates, whether technical or otherwise for making the provision towards impairment of fixed assets.	No Comment
6.	
1) As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.	No Comment
2) As required by Section 227(3) of the Act, we report that:	
a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;	No Comment
b. in our opinion proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branched not visited by us];	No Comment
c. The Branch Auditor's Reports for six Areas and one Central Workshop of Talcher Field forwarded to us have been appropriately dealt with while preparing our report;	No Comment

AUDITORS' REPORT**MANAGEMENT'S REPLY**

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| d. | The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account [and with the audited returns received from branches not visited by us]; | No Comment |
| e. | in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956; and | No Comment |
| f. | In terms of Government of India, Department of Company Affairs Notification No.GSR 829(E) dated 21st October, 2003, Government Companies are exempted from the applicability of provisions of Section 274(1)(g) of the Companies Act, 1956; | No Comment |
| g. | Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said Section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company | No Comment |

For PAMS & Associates,
Chartered Accountants
Sd/-

(M P Mahapatra)
Partner

M. No. 05511

Firm's registration number: 316079E

Place: Camp Burla
Date: 16th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Statement referred to in Paragraph (4) of our report of even date to the members of M/s Mahanadi Coalfields Ltd. on the accounts for the year ended 31st March, 2013

AUDITORS' REPORT	MANAGEMENT'S REPLY
<p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p>	No comment.
<p>(b) We are informed that the fixed assets of the Company have been physically verified by the Management during the year. As per information and explanations available, no material discrepancies have been observed on such verification. In some of the areas the shortage / excess found during physical verification have remained unadjusted in the assets register.</p>	No comment.
<p>(c) According to the information and explanations provided to us, substantial part of fixed assets have not been disposed off during the year, which might affect the going concern concept.</p>	No comment.
<p>(ii) (a) As explained to us, stocks of Coal have been physically verified by the Management at reasonable intervals and stock of stores and spare parts (excluding stock in transit and/or under inspection with suppliers / contractors) have been physically verified by the Management in accordance with the phased programme.</p>	No comment.
<p>(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management appears to be reasonable and adequate in relation to the size of the Company and the nature of its business.</p>	No comment.
<p>(c) In our opinion and according to the information and explanations given to us, the Company has maintained</p>	No comment.

AUDITORS' REPORT**MANAGEMENT'S REPLY**

proper records of its inventory. The discrepancies between physical stocks and book records, arising out of physical verification, which were not material for the Company as a whole, have been properly dealt with in the Books of Account.

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| (iii) | According to information and explanations given to us : | No comment. |
| (a) | The Company has not granted any loan secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (b), (c) and (d) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest and overdue amount are not applicable. | |
| (b) | On the basis of the examination of record we notice that short term loan and both interest bearing and interest free are given to Coal India Limited, the holding Company and its Subsidiaries. | No comment. |
| (c) | The Company has not taken any loan secured or un-secured from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly Sub-clause (f) and (g) of Paragraph 4(iii) of the Order regarding rate of interest, payment of principal and interest overdue amount are not applicable. | No comment. |
| (iv) | According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in internal control system. | No comment. |

AUDITORS' REPORT	MANAGEMENT'S REPLY
(v) (a) According to the information and explanations given to us, during the year under audit there have been no contracts or arrangements which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.	No comment.
(b) In view of clause (v) (a) above, the clause (v) (b) of the Order is not applicable.	No comment.
(vi) According to the information and explanations given to us, the Company has not accepted deposits from the public. Hence the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company for reporting.	No comment.
(vii) The Company has an internal audit system, which is commensurate with its size and nature of its business.	No comment.
(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.	No comment.
(ix) (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, VAT, Wealth Tax, Customs Duty, Excise Duty and other Statutory dues as applicable, with the appropriate authorities during the year. There are no outstanding dues as of the last date of financial year for a period more than six months from the date they became payable.	No comment.

AUDITORS' REPORT**MANAGEMENT'S REPLY**

- (b) According to the records of the Company and the information and explanations given to us, details of disputed dues in respect of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2012 are given below:

No comment.

<i>Name of the Statute</i>	<i>Total Amount (₹ in Crore)</i>	<i>Name of the Forum where dispute is pending</i>
Central Sales Tax,	47.56	High Court, Tribunal and Commissionerate
Income Tax,	729.49	High Court, Tribunal and Commissionerate
Central Excise Duty	142.24	With Central Excise Department

The said amount has been deposited with Central Excise Department under Protest

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the Management, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued debentures.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore the provision of paragraph 4 (xiii) of the Order is not applicable to the Company.

No comment.

No comment.

No comment.

No comment.

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|--|-------------|
| (xiv) According to the records of the Company, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of Clause 4 (xiv) of the Order are not applicable to the Company. | No comment. |
| (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company. | No comment. |
| (xvi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. Accordingly, paragraph 4(xvi) of the Order is not applicable. | No comment. |
| (xvii) On an overall examination of the Balance Sheet of the Company and according to information and explanations given to us, the Company did not raise any funds on short term basis which have been used for long term investment. No long-term funds have been used to finance short-term assets. | No comment. |
| (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year. | No comment. |
| (xix) The Company has not issued any debentures during the year and no amount is outstanding in respect of debentures at the balance sheet date. Accordingly, Paragraph 4(xix) of the Order is not applicable. | No comment. |

AUDITORS' REPORT

MANAGEMENT'S REPLY

- | | |
|---|-------------|
| (xx) The Company has not raised any money through public issue as on the balance sheet date. Accordingly, Paragraph 4(xx) of the Order is not applicable. | No comment. |
| (xix) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management. | No comment. |

For PAMS & Associates,

Chartered Accountants

Sd/-

(M P Mahapatra)

Partner

M. No. 055113

Firm's registration number: 316079E

Place: Camp Burla

Date: 16th May, 2013

**Statement Pursuant to Section 212 of the Companies Act, 1956
Relating to Company's Interest in Subsidiary Companies
as at March 31, 2013.**

Sl. No.	Particulars	Name of the Subsidiary Company		
		MNH Shakti Limited	MJSJ Coal Limited	Mahanadi Basin Power Limited
1.	The Financial year of the subsidiary companies ended on	31 st March, 2013	31 st March, 2013	31 st March, 2013
2.	(a) Number of shares held by Mahanadi Coalfields Limited in the subsidiaries at the end of financial year of the subsidiary companies.**	59,570,000 Equity shares of face value of Rs.10/- each fully paid-up	5,70,60,000 Equity shares of face value of Rs.10/- each fully paid-up	50,000 Equity shares of face value of Rs.10/- each fully paid-up
	(b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary Companies.	70%	60%	100%
3.	The net aggregate amount of the subsidiary companies Profit/Loss so far as it concerns the membes of the Holding Company.			
	(i) Not dealt with in the Holding Company's Accounts.			
	(a) For the financial year ended March 31, 2013.	—	—	—
	(b) For the previous financial years of the subsidiary companies since they became the Holding Company's Subsidiaries.	—	—	—
	(ii) Dealt with in the Holding Company's accounts.			
	(a) For the financial year ended March 31, 2013.	—	—	—
	(b) For the previous financial years of the subsidiary companies since they became the Holding Company's Subsidiaries.	—	—	—

** In case of Mahanadi Basin Power Limited shares are held by Mahanadi Coalfields Limited and it's nominees.

BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Crore)

	Notes	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
(a) Share Capital	1	186.40	186.40
(b) Reserves and Surplus	2	8752.72	7488.02
		8939.12	7674.42
2. Non-Current Liabilities :			
(a) Long Term Borrowing	3	96.60	119.42
(b) Deferred Tax Liability (Net)		60.68	35.36
(c) Other Long Term Liabilities	4	41.49	33.86
(d) Long Term Provisions	5	9085.60	7508.57
		9284.37	7697.21
3. Minority Interest			
		—	—
4. Current Liabilities :			
(a) Short Term Borrowings	6	—	—
(b) Trade Payables	7	257.42	217.83
(c) Other Current Liabilities	8	2386.70	2411.80
(d) Short Term Provisions	9	1458.71	1605.20
		4102.83	4234.83
Total		22326.32	19606.46
II. ASSETS :			
1. Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets – Gross Block	10A	4367.11	4030.84
Less : Depreciation, Impairment & Provisions		2206.79	2036.45
		2160.32	1994.39
Net Carrying Value			
(ii) Intangible Assets – Gross Block	10A	246.88	244.89
Less : Depreciation, Impairment & Provisions		194.68	191.23
		52.20	53.66
Net Carrying Value			
(iii) Capital Work-in-Progress	10B	295.30	202.54
(iv) Intangible Assets under Development	10C	218.25	191.83
(b) Non-Current Investments	11	1120.78	478.53
(c) Deferred Tax Assets (Net)		—	—
(d) Long Term Loans & Advances	12	380.93	287.43
(e) Other Non-Current Assets	13	—	—

BALANCE SHEET AS AT 31ST MARCH, 2013 (Contd....)

(₹ in Crore)

2. Current Assets	Notes	As at 31.03.2013	As at 31.03.2012
(a) Current Investments	14	58.71	22.71
(b) Inventories	15	571.53	648.70
(c) Trade Receivables	16	430.91	222.59
(d) Cash & Cash Equivalents	17	13083.00	12390.19
(e) Short Term Loans & Advances	18	3125.30	2589.75
(f) Other Current Assets	19	829.09	524.14
		18098.54	16398.08
Total		22326.32	19606.46
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

Date : 16.05.2013
Place : Burla

As per our report on even date
For PAMS & Associates,
Chartered Accountants
Sd/-
(M P Mahapatra)
Partner
Membership No. 055113

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2013

		(₹ in Crore)	
		FOR THE YEAR ENDED ON	FOR THE YEAR ENDED ON
	Notes	31.03.2013	31.03.2012
INCOME :			
Sale of Coal	20	13190.42	12068.60
Less : Excise Duty		649.73	513.98
Other Levies		2518.20	2107.11
Revenue from Operations		10022.49	9447.51
Other Income	21	2070.72	1723.50
Total Revenue		12093.21	11171.01
EXPENSE :			
Cost of Materials Consumed	22	555.75	502.67
Change in inventories of finished goods, work in progress and Stock in trade	23	90.25	(39.73)
Employee benefit expenses	24	1711.67	1602.70
Power & Fuel		116.11	108.24
Welfare Expenses	25	49.34	41.77
Repairs	26	86.21	57.19
Contractual Expenses	27	1253.20	948.78
Finance Costs	28	4.97	5.38
Depreciation/amortization/Impairment		240.52	315.99
Provisions	29	59.12	118.17
Write off	30	—	—
Overburden Removal Adjustment		1435.65	1767.15
Other Expenses	31	295.34	292.17
Total Expenses		5898.13	5720.48
Profit/(Loss) before extraordinary Items, exceptional items and tax		6195.08	5450.53
Prior Period Adjustment {charges/(Incomes)}	32	(7.40)	(13.16)
Exceptional Items		—	—
Profit/(Loss) before extraordinary items and tax		6202.48	5463.69
Extraordinary Items { charges/(Incomes)}			
Profit/(Loss) before tax		6202.48	5463.69
Less : Tax Expenses			
— Current Year		1964.72	1823.70
— Deffered Tax		25.32	(69.57)
— Earlier years		—	0.05
Profit/(Loss) after tax		4212.44	3709.51
Basic and Diluted Earning per share (in ₹) (Face Value of Rs. 1000/- per share)		22598.82	19900.71
Significant Accounting Policies	33		
Additional Notes on Accounts	34		
The Notes referred to above form integral part of Profit & Loss Statement.			

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company SecretarySd/-
D. D. Ghosh
General Manager (Finance)Sd/-
K. Biswal
Director (Finance)Sd/-
A. N. Sahay
Chairman-cum-Managing DirectorDate : 16.05.2013
Place : BurlaAs per our report on even date
For PAMS & Associates,
Chartered Accountants
Sd/-
(M P Mahapatra)
Partner
(Membership No. 55113)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 1

SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
AUTHORISED		
(i) 2958200 Equity Shares of Rs.1000/- each	295.82	295.82
(ii) 2041800 10% Cumulative Redeemable Preference shares of Rs. 1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
	500.00	500.00
ISSUED, SUBSCRIBED AND PAID - UP		
1864009 Equity shares of Rs 1000/- each fully paid-up in cash	186.40	186.40
	186.40	186.40

NOTE - 1 : Shares in the Company held by each shareholder holding more than 5% Shares.

Name of Shareholder	No. of shares Held (Face Value of Rs. 1000 each)	% of total Shares
CIL and its Nominees	1864009	100%

NOTE - 2 : During the period there is no change in the number of shares.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 2 RESERVES AND SURPLUS

[₹ in Crore]

	As at 31.03.2013	As at 31.03.2012
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	—	—
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	—	—
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	—	—
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	—	—
C S R Reserve		
As per last Balance Sheet	53.46	31.66
Add : Addition during the period	51.56	50.14
Less : Transfer to General Reserve	25.56	28.34
	79.46	53.46
Sustainable Development Reserve		
As per last Balance Sheet	—	—
Add : Addition during the period	4.11	—
Less : Transfer to General Reserve	0.27	—
	3.84	—
General Reserve :		
As per last Balance Sheet	1954.31	1555.02
Add : Transfer from Profit & Loss Statement	421.24	370.95
Add/Less : Adjustment during the period	25.83	28.34
	2401.38	1954.31
Surplus in Profit & Loss Account		
As per last Balance Sheet	5276.07	4570.88
Profit/(Loss) after Tax during the period	4212.44	3709.51
Profit/(Loss) Available for appropriation	9488.51	8280.39
Appropriation		
Reserve for Foreign Exchange Transaction	—	—
Transfer to General Reserve	421.24	370.95
Transfer to CSR Reserve	51.56	50.14
Interim Dividend	1500.52	1006.56
Proposed Dividend on Equity Shares	1028.93	1219.99
Corporate Dividend Tax	418.29	356.68
Transfer to Sustainable development reserve	4.11	—
	6063.86	5276.07
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	—	—
Pre-Operational Expenses	—	—
TOTAL	8752.72	7488.02

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 3

LONG TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Loan from Coal India Limited		
— for IBRD	46.09	52.66
— for JBIC	42.31	58.23
Export Development Corp., Canada	—	—
Liebherr France S. A., France	8.20	8.53
Loan from Coal India Limited	—	—
Total	96.60	119.42

CLASSIFICATION - 1

Secured	—	—
Unsecured	96.60	119.42

CLASSIFICATION - 2

1. Loan Guaranteed by Directors & others

Particulars of Loan	₹ in crore	Nature of Guarantee
Loan from CIL for IBRD & JBIC	109.88	Guaranteed By Govt. of India

2. The amount of ₹109.88 crore include current repayment in 2013-14 (Note – 8)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 4

OTHER LONG TERM LIABILITIES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Shifting & Rehabilitation Fund		
Opening Balance	—	—
Add :Interest from Investment of the fund	—	—
Add :Contribution Received	—	—
Less :Amount utilised	—	—
	<hr/>	<hr/>
Trade Payable	—	—
Security Deposits	16.02	9.40
Cess on Coal	25.47	24.46
	<hr/>	<hr/>
Total	41.49	33.86
	<hr/>	<hr/>

Note – 5

LONG TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Employee Benefits		
— Gratuity	—	—
— Leave Encashment	170.70	159.96
— Other Employee Benefits	167.71	104.23
For Foreign Exchange Transactions (Marked to Market)	—	—
OBR Adjustment Account	8502.18	7066.53
Mine Closure Expenses	245.01	177.85
For Others	—	—
	<hr/>	<hr/>
TOTAL	9085.60	7508.57
	<hr/>	<hr/>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 6

SHORT TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
LOAN FROM BANK	–	–
Loans Repayable on Demand	–	–
Balance with Coal India Limited & other Subsidiaries of Coal India Limited	–	–
Overdraft against Pledge of Term Deposit	–	–
Other Loans and Advances	–	–
Deferred Credits	–	–
Total	–	–

CLASSIFICATION 1

Secured	–	–
Unsecured	–	–

CLASSIFICATION 2

Loan Guaranteed by Directors & others

Particulars of Loan	₹ in crore	Nature of Guarantee
NIL	NIL	NIL

Note – 7

TRADE PAYABLE

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Sundry Creditors for Supplies		
For Revenue	257.42	217.83
TOTAL	257.42	217.83

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 8

OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	9.90	8.77
Term Loan from JBIC from CIL	11.58	12.27
Term Loan from Liebherr France S. A., France	0.52	0.50
Loan from Coal India Limited	–	–
Surplus Fund from Coal India Limited	–	–
Current Account with Subsidiaries	–	–
	22.00	21.54
Sundry Creditors for Capital (including stores)	382.62	137.52
For Expenses		
Salary Wages & Allowances	155.42	256.08
Power & Fuel	16.63	15.93
Others	58.47	43.46
	230.52	315.47
Statutory Dues		
Sales Tax	2.80	7.38
Sales Tax/VAT	3.42	3.42
Provident Fund & Pension Fund	6.35	4.40
Central Excise Duty	71.98	71.14
Royalty & Cess on Coal	119.52	88.07
Stowing Excise Duty	31.82	27.73
Clean Energy Cess	55.27	94.64
Other Statutory Levies	1.47	2.32
	292.63	299.10
Income Tax Deducted at Source	6.94	4.49
Security Deposit	61.41	64.36
Earnest Money	12.42	9.71
Advance & Deposit from customers/others	1296.17	1378.07
Interest Accrued and due on Borrowings	–	–
Interest Accrued but not due on Borrowings	–	–
Cess Equilisation Account	–	–
Current Account with IICM	–	–
Unpaid Dividend	–	–
Ex-Owner Account	–	–
Advance Deposit other Pre-Nationalisation	–	–
Gratuity	36.36	135.96
Other Liabilities	45.63	45.58
TOTAL	2386.70	2411.80

Note :

Loan repayment Liebherr France during 2013-14	74113.58	Euro	(₹ 0.52 Crore)
Loan repayment IBRD during 2013-14	1807003.00	USD	(₹ 9.90 Crore)
Loan repayment JBIC during 2013-14	197981123.00	Yen	(₹ 11.58 Crore)

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 9

SHORT TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Employee Benefits		
— Gratuity	—	—
— Leave Encashment	18.09	10.52
— PPLB	53.55	41.10
— PRP	183.16	135.51
For Proposed Dividend	1028.93	1219.99
For Corporate Dividend Tax	174.87	197.91
For Excise duty on Closing Stock of Coal	—	—
For Others (Wealth Tax)	0.11	0.17
	1458.71	1605.20
TOTAL	1458.71	1605.20

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note - 10A

FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	2.49	—	—	2.49	—	—	—	—	—	—	—	—	—	2.49	2.49
(b) Leasehold	875.69	314.68	—	1190.37	272.59	40.71	—	313.30	—	—	—	—	313.30	877.07	603.10
Building/Water Supply/ Road & Culverts	468.60	10.71	(2.70)	476.61	149.21	9.91	(0.10)	159.02	0.34	—	—	0.34	159.36	317.25	319.05
Plant & Machinery	2290.78	68.90	(69.19)	2290.49	1420.72	163.01	(63.31)	1520.42	3.92	—	(0.02)	3.90	1524.32	766.17	866.14
Furniture & Fittings/Office Tools & Equipments/Electrical Fittings/Fire Arms	61.49	4.30	(1.49)	64.30	41.60	6.66	(3.79)	44.47	0.01	—	—	0.01	44.48	19.82	19.88
Railway Sidings	162.14	1.12	—	163.26	68.40	7.22	—	75.62	0.10	—	—	0.10	75.72	87.54	93.64
Vehicle	26.35	1.37	(1.66)	26.06	16.99	1.45	(1.57)	16.87	0.01	—	—	0.01	16.88	9.18	9.35
Telecommunication	13.82	—	—	13.82	3.98	0.52	0.14	4.64	—	—	—	—	4.64	9.18	9.84
Development including Roads & Culverts in Mining Area	129.48	7.57	2.66	139.71	58.21	3.30	6.21	67.72	0.37	—	—	0.37	68.09	71.62	70.90
TOTAL	4030.84	408.65	(72.38)	4367.11	2031.70	232.78	(62.42)	2202.06	4.75	—	(0.02)	4.73	2206.79	2160.32	1994.39
Previous Year															
Tangible Fixed Assets	3760.14	348.02	(77.32)	4030.84	1778.23	304.22	(50.75)	2031.70	4.75	—	—	4.75	2036.45	1994.39	1977.16
INTANGIBLE ASSETS															
Developments	190.62	2.10	(2.18)	190.54	138.60	7.54	(6.14)	140.00	20.98	0.36	—	21.34	161.34	29.20	31.04
Software	2.67	—	—	2.67	2.67	—	—	2.67	—	—	—	—	2.67	—	—
Prospecting & Boring	51.60	1.26	0.81	53.67	28.96	1.65	0.04	30.65	0.02	—	—	0.02	30.67	23.00	22.62
TOTAL	244.89	3.36	(1.37)	246.88	170.23	9.19	(6.10)	173.32	21.00	0.36	(0.02)	21.36	194.68	52.20	53.66
G. TOTAL	4275.73	412.01	(73.75)	4613.99	2201.93	241.97	(68.52)	2375.38	25.75	0.36	—	26.09	2401.47	2212.52	2048.05
Previous Year															
Intangible Fixed Assets	233.35	8.12	3.42	244.89	170.88	11.13	(11.78)	170.23	20.44	0.56	—	21.00	191.23	53.66	42.03

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depriciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
TANGIBLE ASSETS :															
Building/Water Supply/ Road & Culverts	12.57	23.12	(18.64)	17.05	0.21	—	—	0.21	—	—	—	—	0.21	16.84	12.36
Plant & Machinery	157.84	136.37	(49.59)	244.62	9.84	0.89	(0.06)	10.67	—	—	—	—	10.67	233.95	148.00
Railway Sidings	33.96	2.35	(0.48)	35.83	—	—	—	—	—	—	—	—	—	35.83	33.96
Roads & Culverts in Mining Area	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	204.37	161.84	(68.71)	297.50	10.05	0.89	(0.06)	10.88	—	—	—	—	10.88	286.62	194.32
Previous Year															
Tangible Assets	96.55	204.33	(96.51)	204.37	9.14	0.91	—	10.05	—	—	—	—	10.05	194.32	87.41
Surveyed off Assets	20.56	3.93	(2.80)	21.69	12.34	2.20	(1.53)	13.01	—	—	—	—	13.01	8.68	8.22
Previous Year															
Surveyed off Assets	20.12	3.72	(3.28)	20.56	12.07	2.22	(1.95)	12.34	—	—	—	—	12.34	8.22	8.05
GRAND TOTAL	224.93	165.77	(71.51)	319.19	22.39	3.09	(1.59)	23.89	0	0	0	0	23.89	295.30	202.54
Previous Year															
GRAND TOTAL	116.67	208.05	-99.79	224.93	21.21	3.13	-1.95	22.39	0	0	0	0	22.39	202.54	95.46

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depriciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
INTANGIBLE ASSETS															
Development	95.51	21.13	(2.46)	114.18	—	—	—	—	—	—	—	—	—	114.18	95.51
Prospecting & Boring	96.32	7.28	0.47	104.07	—	—	—	—	—	—	—	—	—	104.07	96.32
TOTAL	191.83	28.41	(1.99)	218.25	—	—	—	—	—	—	—	—	—	218.25	191.83
Previous Year															
Intangible Assets	162.99	36.86	(8.02)	191.83	2.02	—	(2.02)	—	—	—	—	—	—	191.83	160.97

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 11

NON-CURRENT INVESTMENTS —QUOTED/UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at	As at	As at	As at
			31.03.2013 (₹ in Crore)	31.03.2012	31.03.2012 (₹)	31.03.2012 (₹ in Crore)
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid up)						
(on securitisation of Sundry Debtors)						
Major State-wise Break-up						
UP	—	—	—	—	—	—
Haryana	—	—	—	—	—	—
Maharashtra State Electricity Board	227720	1000.00	22.77	341580	1000.00	34.16
Madhya Pradesh	—	—	—	—	—	—
Gujarat	—	—	—	—	—	—
West Bengal State Electricity Board	226320	1000.00	22.63	339480	1000.00	33.94
Others	—	—	—	—	—	—
Equity Shares in Subsidiaries Companies						
MNH Shakti Ltd.	59570000	10.00	59.57	59570000	10.00	59.57
MJSJ Coal Ltd.	57060000	10.00	57.06	42060000	10.00	42.06
MBPL	50000	10.00	0.05	50000	10.00	0.05
NON – TRADE (QUOTED)						
7.55% Secured Non – Convertible IRFC Tax free 2021 series 79 bonds	20000	100000.00	200.00	20000	10000	200.00
8% Secured Non – Convertible IRFC bonds	1087537	1000.00	108.75	1087537	1000	108.75
7.22 % Secured Non convertible IRFC bond Tax free	4999	1000100.00	499.95	—	—	—
7.22 % Secured Redeemable REC bond Tax free	1500000	1000	150.00	—	—	—
TOTAL			1120.78			478.53
Aggregate of Quoted Investments			958.70			308.75
Aggregate of Unquoted Investments			162.08			169.78
Market Value of Quoted Investments			969.48			308.75

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 12

LONG TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
ADVANCES :		
For Capital		
— Secured considered good	—	—
— Unsecured considered good	339.96	251.68
— Doubtful	0.71	1.13
	340.67	252.81
Less : Provision for Bad and doubtful advances	0.71	1.13
	339.96	251.68
For Revenue		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and doubtful advances	—	—
	—	—
Security Deposits		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Deposits	—	—
	—	—
Deposit for P&T, Electricity etc.		
— Secured considered good	—	—
— Unsecured considered good	37.86	32.04
— Doubtful	—	—
	37.86	32.04
Less : Provision for Bad and doubtful deposits	—	—
	37.86	32.04
LOAN TO EMPLOYEES & OTHERS		
For House Building		
— Secured considered good	3.04	3.61
— Unsecured considered good	—	—
— Doubtful	—	—
	3.04	3.61

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 12 (Continued...)

LONG TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Motor Car and Other Conveyance		
— Secured considered good	0.07	0.10
— Unsecured considered good	—	—
— Doubtful	—	—
	0.07	0.10
For Others		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and doubtful advances	—	—
	3.11	3.71
Loan to Subsidiaries		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
TOTAL	380.93	287.43

Note :

	Closing Balance		Maximum Amount Due at Any Time	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 13

OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Long Term Trade Receivable		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful trade receivables	—	—
	—	—
Exploratory Drilling Work		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful drilling work	—	—
	—	—
Other Receivables		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	0.16	0.16
	0.16	0.16
Less : Provision for bad and doubtful receivables	0.16	0.16
	—	—
	—	—
TOTAL	—	—

Note

	Closing Balance		Maximum Amount Due at Any Time During	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 14

CURRENT INVESTMENTS — QUOTED/UNQUOTED AT COST

(₹ in Crore)

	Number of shares/bonds/ securities Current Year	Face Value per share/bond/ security Current Year	As at 31.03.2013	Number of shares/bonds/ securities Previous Year	Face Value per share/bond/ security Previous Year	As at 31.03.2012
NON-TRADE (QUOTED)						
Investment in Mutual Funds						
Canara Robeco Liquid Fund	89507.708	1005.50	9.00	—	—	—
SBI Premier Liquid Fund	89708.448	1003.25	9.00	—	—	—
UTI Money Market Fund	89696.342	1003.39	9.00	—	—	—
LIC NOMURA MF Liquid Fund	8196721.311	10.98	9.00	—	—	—
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid up)						
(on securitisation of Sundry Debtors)	—	—	—	—	—	—
Maharashtra State Electricity Board	113860	1000.00	11.39	113860	1000.00	11.39
West Bengal State Electricity Board	113160	1000.00	11.32	113160	1000.00	11.32
Total			58.71			22.71
Aggregate of Quoted Investments	—	—	36.00	—	—	—
Aggregate of Unquoted Investments	—	—	22.71	—	—	22.71
Market Value of Quoted Investments	—	—	41.45	—	—	—

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 15

INVENTORIES

(Valuation as per Significant Accounting Policy No. 6)

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Stock of Coal	414.44	518.67
Coal Stock under Development	45.94	20.59
Less : Provision for deterioration	—	8.67
A. Stock of Coal (Net)	460.38	530.59
Stock of Stores & Spare Parts (at cost)	105.94	117.45
Stores-in-transit	1.76	3.90
Less : Provision for slow moving/obsolescence etc.	14.27	13.46
Loss of Assets	0.23	0.23
Less : Provision for Loss of Assets	0.23	0.23
B. Net Stock of Stores & Spare Parts (at cost)	93.43	107.89
Workshop Jobs		
Work-in-Progress and Finished Goods	7.37	—
Less : Provision for workshop jobs	—	—
C. Net Stock of Workshop Jobs	7.37	—
D. Press		
Work-in-Progress and Finished Goods	—	—
E. Stock of Medicines at Central Hospital	0.65	0.52
F. Prospecting & Boring/Development Exp./ Coal Blocks meant for sale	9.70	9.70
Total (A to F)	571.53	648.70

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

ANNEXURE TO NOTE – 15

(Qty. in lakh tonnes) (Value in ₹ Lakh)

Reconcilliation of Closing Stock adopted in Account with Book Stock as at the end of the year

Table – A

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.12	221.23	53926.25	—	—	221.23	53926.25
(B) Adjustment in Opening Stock	—	—	—	—	—	—
2. Production for the year	1078.94	994492.56	—	—	1078.94	994492.56
3. Sub-Total (1+2)	1300.17	1048418.81	—	—	1300.17	1048418.81
4. Off-Take for the year :						
(a) Outside Despatch	1119.59	1002248.86	—	—	1119.59	1002248.86
(b) Coal feed to Washeries	—	—	—	—	—	—
(c) Own Consumption	0.05	132.06	—	—	0.05	132.06
TOTAL (A)	1119.64	1002380.92	—	—	1119.641	1002380.92
5. Derived Stock	180.53	46037.89	—	—	180.53	46037.89
6. Measured Stock	177.37	45232.04	—	—	177.37	45232.04
7. Difference (5-6)	3.16	805.85	—	—	3.16	805.85
8. Break-up of Difference						
(a) Excess within 5%	—	—	—	—	—	—
(b) Shortage within 5%	3.16	805.85	—	—	3.16	805.85
(c) Excess beyond 5%	—	—	—	—	—	—
(d) Shortage beyond 5%	—	—	—	—	—	—
9. Closing Stock adopted in A/c (6 – 8A + 8B)	180.53	46037.89	—	—	180.53	46037.89

Summary of Closing Stock of Coal

Table – B

	Raw Coal				Washed/Deshaled Coal				Other Products		Total	
	Coking		Non-Coking		Coking		Non-Coking		Qty.	Value	Qty.	Value
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value				
Opening Stock (Audited)	—	—	221.23	53926.25	—	—	—	—	—	—	221.23	53926.25
Less : Non-vendable Coal	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted Opening Stock (Vendable)	—	—	—	—	—	—	—	—	—	—	—	—
Production	—	—	1078.94	994492.56	—	—	—	—	—	—	1078.94	994492.56
Offtake												
(a) Outside Despatch	—	—	1119.59	1002248.86	—	—	—	—	—	—	1119.59	1002248.86
(b) Coal feed to Washeries	—	—	—	—	—	—	—	—	—	—	—	—
(c) Own Consumption	—	—	0.05	132.06	—	—	—	—	—	—	0.05	132.06
Closing Stock	—	—	180.53	46037.89	—	—	—	—	—	—	180.53	46037.89
Less : Shortage	—	—	—	—	—	—	—	—	—	—	—	—
Closing Stock	—	—	180.53	46037.89	—	—	—	—	—	—	180.53	46037.89

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 16

TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Debts outstanding for a period exceeding six months from the due date		
— Secured considered good	—	—
— Unsecured considered good	42.11	19.67
— Doubtful	21.02	28.60
	<u>63.13</u>	<u>48.27</u>
Less : Provision for bad and doubtful debts	21.02	28.60
	<u>42.11</u>	<u>19.67</u>
Other Debts		
— Secured considered good	—	—
— Unsecured considered good	388.80	202.92
— Doubtful	—	—
	<u>388.80</u>	<u>202.92</u>
Less : Provision for bad and doubtful debts	—	—
	<u>388.80</u>	<u>202.92</u>
TOTAL	<u>430.91</u>	<u>222.59</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 17

CASH & BANK BALANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Cash & Cash Equivalents		
Balances with Scheduled Banks		
— SBI Dividend Account (unpaid/unclaimed dividend account)	—	—
— In Deposit Accounts with maturity upto 3 months	3985.23	3695.03
— In Current Accounts	238.70	267.58
— In Cash Credit Accounts	—	—
Balances with Non – Scheduled Banks		
In account with Banks outside India	—	—
Remittance - in transit	—	0.04
Cheques, Drafts and Stamps on hand	—	—
Cash in hand	0.05	0.03
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	—	—
Other Bank Balances		
Balances with Scheduled Banks		
— In Deposit Accounts with maturity more than 3 months	8859.02	8427.51
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	—	—
Deposit with Scheduled Banks under Mine Closure Plan Scheme	—	—
Total	13083.00	12390.19
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year		
	Nil	Nil
Additional Note :		
1. Balances with banks to the extent held as margin money or security against the borrowings/others	185.24	184.55
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	1.33	179.36

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 18

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
ADVANCE (Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
— Secured considered good	—	—
— Unsecured considered good	156.15	33.83
— Doubtful	2.26	2.23
	158.41	36.06
Less : Provision for bad and doubtful advances	2.26	2.23
	156.15	33.83
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful advances	—	—
	—	—
Advance Income Tax/Tax Deducted at Source	2925.46	2575.63
Less : Provision for Income Tax	1987.64	1854.40
	937.82	721.23
Others		
— Secured considered good	—	—
— Unsecured considered good	42.98	28.81
— Doubtful	—	—
	42.98	28.81
Less : Provision for bad and doubtful advances	—	—
	42.98	28.81
TOTAL	980.80	750.04
ADVANCE TO EMPLOYEES		
— Secured considered good	—	—
— Unsecured considered good	72.81	50.14
— Doubtful	—	—
	72.81	50.14
Less : Provision for bad and doubtful advances	—	—
	72.81	50.14

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 18 (Continued...)

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Deposits with CIL	1757.00	1603.46
Current Account with CIL & other Subsidiaries of CIL and MCL's Subsidiaries	140.92	148.72
LOAN ACCOUNT WITH SUBSIDIARIES		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful advances	—	—
	—	—
Claims Receivables		
— Secured considered good	—	—
— Unsecured considered good	0.03	—
— Doubtful	—	—
	0.03	—
Less : Provision for doubtful claims	—	—
	0.03	—
Prepaid Expenses	17.59	3.56
	1988.35	1805.88
TOTAL	3125.30	2589.75

Note :

1.

	Closing Balance		Maximum Amount Due at Any Time During	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management				
— MJSJ Coal Limited	1.32	13.34	14.91	26.59
— MNH Shakti Limited	2.51	2.08	2.51	16.79
— Mahanadi Basin Power Limited	8.05	3.32	8.05	Nil
Due by the parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

2. Deposit with CIL includes ₹350.29 crore (previous year ₹350.29 crore) which is non-interest bearing.

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2013

Note – 19

OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Interest Accrued on		
— Investments	34.18	11.24
— Deposit with Banks	645.61	443.24
— Others	1.57	1.24
Ex Owner's Account	—	—
Other Advances	—	—
Less : Provision for bad and doubtful advances	—	—
	<u> </u>	<u> </u>
	—	—
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	—	—
Deposit for Royalty, Cess & Sales Tax	146.64	32.81
Less : Provision for bad and doubtful deposits	—	—
	<u> </u>	<u> </u>
	146.64	32.81
Others	—	—
Less : Provision for bad and doubtful for Others	—	—
	<u> </u>	<u> </u>
	—	—
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	—	—
Other Receivables	1.09	35.61
Less : Provision for bad and doubtful receivables	—	—
	<u> </u>	<u> </u>
	1.09	35.61
TOTAL	<u> </u> 829.09	<u> </u> 524.14

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 20

REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
GROSS SALES	13190.42	12068.60
Less : Excise Duty	649.73	513.98
Less : Other Levies		
Royalty	1267.85	1032.32
Cess on Coal	—	—
Stowing Excise Duty	111.96	102.41
Central Sales Tax	99.42	95.03
Clean Energy Cess	559.80	512.61
State Sales Tax/VAT	410.67	301.60
Orissa Entry Tax	68.50	63.14
TOTAL LEVIES	3167.93	2621.09
Revenue from Operations (NET SALES)	10022.49	9447.51

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 21

OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Income from Long Term Investments		
Dividend from Joint Ventures	—	—
Interest from :		
— Government Securities (8.5% Tax Free Special Bonds)(Trade)	7.24	9.16
— Non convertible IRFC/REC Tax Free Bonds 2021series (Non-trade)	38.15	6.90
Income from Current Investments		
Dividend from Mutual Fund Investments	23.63	2.26
Interest from :		
— Government Securities (8.5% Tax Free Special Bonds)(Trade)	—	—
— 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	—	—
Income from Others		
Interest :		
— From Deposits with Banks	1319.45	1051.77
— From Loans and Advances to Employees	0.09	0.17
— From Income Tax Refunds	—	34.93
— From CIL on Parking of Fund	143.37	144.34
— Others	1.86	1.24
Apex Charges	—	—
Subsidy for Sand Stowing & Protective Works	0.55	0.29
Profit on Sale of Assets	0.74	2.57
Recovery of Transportation & Loading Cost	495.52	413.65
Gain on Foreign Exchange Transactions	0.09	—
Exchange Rate Variance	—	—
Lease Rent	4.60	4.21
Liability Write Backs	0.65	—
Guarantee Fees from Subsidiaries	—	—
Other Non Operating Income	34.78	52.01
Total	2070.72	1723.50

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013**Note – 22****COST OF MATERIALS CONSUMED**

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Explosives	118.32	112.43
Timber	0.54	0.33
POL	252.30	232.82
HEMM Spares	107.56	90.33
Others Consumable Spares & Stores	77.03	66.76
Total	555.75	502.67

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 23

**CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE**

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Closing Stock of Coal	414.44	518.67
Less : Deterioration of Coal	—	6.61
Total (1)	414.44	512.06
Opening Stock of Coal	518.67	476.10
Less : Deterioration of Coal	6.61	3.46
Total (2)	512.06	472.64
(A) Change in Inventory of Closing Stock (2-1)	97.62	(39.42)
Closing Stock of Workshop made finished goods and WIP	7.37	
Less : Provision	—	—
Total	7.37	—
Opening Stock of Workshop made finished goods and WIP	—	
Less : Provision	—	—
Total	—	—
(B) Change in Inventory of Closing Stock of workshop	(7.37)	—
Press Closing job		
i. Finished Goods	—	—
ii. Work in Progress	—	—
Less : Press Opening Job		
i. Finished Goods	—	—
ii. Work in Progress	—	—
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	—	—
Closing Stock of Medicines (Central Hospital)	—	0.52
Less Opening Stock of Medicines (Central Hospital)	—	0.21
(D) Change in Inventory of Stock of Medicines at Central Hospital	—	(0.31)
Total Change in Inventory of Stock (A+B+C+D)	90.25	(39.73)

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013**Note – 24****EMPLOYEE BENEFIT EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Salary, Wages, Allowances, Bonus & Benefits	1204.59	1062.21
Ex-Gratia	62.35	48.53
PRP	46.15	22.05
Contribution to P.F. & Other Funds	161.42	120.70
Gratuity	22.63	165.09
Leave Encashment	43.72	65.88
VRS	1.93	0.99
Workmen Compensation	0.58	1.42
Post retirement medical benefit for existing employees	35.24	—
Medical Expenses	30.84	20.09
Grants to School & Institutions	18.68	16.74
Sports & Recreation	0.79	0.75
Canteen & Creche	0.68	0.61
Power - Township	54.07	50.70
Hire Charges of Bus, Ambulance etc.	2.61	1.60
Other Employee Benefits	25.39	25.34
Total	1711.67	1602.70

Note – 25**WELFARE EXPENSES**

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Medical Expenses for Retired Employees	2.22	2.21
CSR Expenses	25.56	28.34
Sustainable Development Expenses	0.27	—
Environmental Expenses	13.94	3.56
Tree Plantation	0.78	0.65
Other Expenses	6.57	7.01
Total	49.34	41.77

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 26

REPAIRS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Building	52.38	36.06
Plant & Machinery	30.31	17.38
Others	3.52	3.75
Total	86.21	57.19

Note – 27

CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Transportation Charges :		
— Sand	0.32	0.61
— Coal & Coke	747.81	569.37
— Stores & Other etc.	0.01	—
Wagon Loading	53.45	49.76
Hiring of Plant & Machinery	387.91	283.46
Other Contractual Work	63.70	45.58
Total	1253.20	948.78

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 28

FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Interest Expense		
Deferred Payments	0.09	0.08
Bank Overdraft/Cash Credit	—	—
Interest on IBRD & JBIC Loan	1.96	1.95
CIL Fund Loan Interest	—	—
Interest to Subsidiaries	—	—
Others	1.26	1.16
Total (A)	3.31	3.19
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	1.65	2.18
Other Expenses/Bank Charges	0.01	0.01
Total (B)	1.66	2.19
TOTAL (A+B)	4.97	5.38

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 29

PROVISIONS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(A) Provision Made For		
Doubtful debts	—	7.23
Doubtful Advances & Claims	—	—
Foreign Exchange Transaction	—	—
Stores & Spares	0.81	0.14
Reclamation of Land/Mine Closure Expenses	64.74	108.21
Surveyed off Fixed Assets/Capital WIP	1.56	3.13
Others	—	—
Total (A)	67.11	118.71
(B) Provision Written Back		
Doubtful debts	7.58	—
Doubtful Advances & Claims	0.39	0.01
Foreign Exchange Transaction	—	—
Stores & Spares	—	—
Reclamation of Land/Mine Closure Expenses	—	—
Surveyed off Fixed Assets/Capital WIP	—	—
Others/Loss of assets	0.02	0.53
Total (B)	7.99	0.54
Total (A-B)	59.12	118.17

Note – 30

WRITE OFF

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Doubtful debts	—	—
Doubtful advances	—	—
Others	—	—
Total	—	—

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 31

OTHER EXPENSES

[₹ in Crore]

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Travelling Expenses		
— Domestic	14.07	12.73
— Foreign	0.06	0.06
Training Expenses	8.27	6.71
Telephone & Postage	2.67	2.23
Advertisement & Publicity	4.26	3.68
Freight Charges	0.10	0.21
Demurrage	5.54	4.77
Donation/Subscription	0.09	0.32
Security Expenses	40.23	36.34
Service Charges of CIL	53.95	51.56
Hire Charges	23.72	17.72
CMPDI Expenses	26.56	19.13
Legal Expenses	1.07	0.73
Bank Charges	0.02	0.02
Guest House Expenses	2.05	1.40
Consultancy Charges	0.49	0.77
Under Loading Charges	10.99	3.00
Loss on Sale/Discard/Surveyed of Assets	0.06	—
Auditor's Remuneration & Expenses		
— For Audit Fees	0.17	0.15
— For Taxation Matters	—	—
— For Company Law Matters	—	—
— For Management Services	—	—
— For Others Services	0.04	0.08
— For Reimbursement of Expenses	0.13	0.09
Internal Audit Fees and Expenses	1.84	1.24
Rehabilitation Charges	67.18	61.51
Royalty & Cess	0.19	0.17
Central Excise Duty	(11.20)	5.71
Rent	0.15	0.13
Rates & Taxes	13.61	7.04
Insurance	0.40	0.30
Loss on Exchange Rate Variance	—	10.77
Lease Rent	—	—
Rescue/Safety Expenses	2.37	1.68
Dead Rent/Surface Rent	1.58	0.12
Siding Maintenance Charges	4.15	3.05
Land/Crops Compensation	0.04	0.03
Wealth Tax	0.11	0.16
Miscellaneous Expenses	20.38	38.56
Total	295.34	292.17

NOTES TO PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Note – 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(A) Expenditure		
Sale of Coal	3.54	—
Stock of Coal	—	—
Other Income	—	—
Consumption of Stores & Spares	—	—
Employees Remuneration & Benefits	—	—
Power & Fuel	—	—
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	—
Other Expenditure	1.21	0.32
Interest and other financial charges	—	—
Depreciation	0.04	—
Total (A)	4.79	0.32
(B) Income		
Sale of Coal	—	7.56
Stock of Coal	—	—
Other Income	12.19	1.61
Consumption of Stores & Spares	—	0.11
Employees Remuneration & Benefits	—	0.07
Power & Fuel	—	—
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	0.92
Other Expenditure	—	0.48
Interest and other financial charges	—	—
Depreciation	—	2.73
Total (B)	12.19	13.48
Total (A-B)	(7.40)	(13.16)

NOTE – 33**SIGNIFICANT ACCOUNTING POLICIES****1.0 ACCOUNTING CONVENTION**

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under, except otherwise stated.

2.0 SUBSIDIES / GRANTS FROM GOVERNMENT:

- 2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.
- 2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head- Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

3.0 FIXED ASSETS:**3.1 Land:**

Value of land includes cost of acquisition and cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of land viz. compensation in lieu of employment etc. are, however, treated as revenue expenditure.

3.2 Plant & Machinery:

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding:

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 - "Long Term Loans & Advances" under Advances for Capital.

3.4 Development:

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
 - (b) 2 years of touching of coal, or
 - (c) From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.0 PROSPECTING & BORING AND OTHER DEVELOPMENT EXPENDITURE:

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

5.0 INVESTMENTS:

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

6.0 INVENTORIES:

6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower.

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking / semi coking), middling of washeries and by products are valued at net realisable value.

6.2 Stores & Spares:

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts at central & area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries/ sub-stores / drilling camps/ consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 Stores & spare parts include loose tools.

6.2.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0 DEPRECIATION

7.1. Depreciation on fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipment and photocopying machine, which are charged at higher rates on the basis of their technically estimated life, as follows :-

Telecommunication equipment	: -	15.83% p.a. and 10.55% p.a.
Photocopying machine	: -	10.55% p.a.

Depreciation on Earth Science Museum and high volume samplers and respiratory dust are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

Further, depreciation on certain equipments /HEMM is charged over the technically estimated life at higher rates viz. 11.88%; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively on the basis of technical estimation.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition. Assets attracting 100% depreciation are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

7.2 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.

7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

8.0 IMPAIRMENT OF ASSETS

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

9.0 FOREIGN CURRENCY TRANSACTIONS

9.1 Balance of foreign currency transactions is translated at the rates prevailing on the Balance Sheet date and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.

9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 RETIREMENT BENEFITS / OTHER EMPLOYEE BENEFITS:

a) Defined contributions plans:

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

b) Defined benefits plans:

The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the company

has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

c) Other employee benefits:

Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 RECOGNITION OF INCOME AND EXPENDITURE:

Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

11.1 SALES

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

11.2 DIVIDEND

Dividend income is recognised when right to receive is established.

12.0 BORROWING COSTS :

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 TAXATION:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

14.0 PROVISION:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

15.0 CONTINGENT LIABILITY :

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 OVERBURDEN REMOVAL (OBR) EXPENSES

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR of the mine	Permissible Limits of Variance	
	I	II
	%	Quantum (in M.Cu.M.)
Less than 1 M.Cu.M.	+/- 5%	0.03
Between 1 and 5 M.Cu.M.	+/- 3%	0.20
More than 5 M.Cu.M.	+/- 2%	Nil

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

17.0 PRIOR PERIOD ADJUSTMENT

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹0.10 Crore in each case, are treated as income / expenditure of current year.

NOTE – 34

ADDITIONAL NOTES ON ACCOUNTS

1.0 Mahanadi Coalfields Limited was incorporated on 3rd April, 1992 as a 100% Subsidiary of Coal India Limited (CIL) upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Orissa.

2.0 RESERVE AND SURPLUS

2.1 General Reserve : ₹ 421.24 crore (as at 31st March, 2012 ₹ 370.95 crore) being 10% of profit after tax is transferred to General Reserve during the year.

2.2 The company has created CSR reserve of ₹ 51.56 crore by transferring 5% of its retained earnings of previous year subject to a minimum of ₹ 5 per tonne of previous year's coal production to CSR reserve and an amount equivalent to actual expenses incurred being transferred from CSR reserve to General Reserve. Accordingly, an amount of ₹ 25.56 crore representing actual expenditure during the year has been transferred from CSR reserve to General reserve during the year.

2.3 The company has created a Sustainable Development Reserve for an amount of ₹ 4.11 crore being 0.1% of profit after tax of previous year exceeding 100 crore plus ₹ 0.50 crore as per guidelines on sustainable development issued by Department of Public enterprises, Ministry of Heavy Industries & Public enterprises Govt. of India vide its office memorandum dt. 23rd September 2011. An amount equivalent to the expenditure incurred during the year for ₹ 0.27 crore has been transferred from Sustainable Development Reserve to General Reserve.

3.0 LONG TERM BORROWINGS (Note – 3 and Note – 8)

3.1 Unsecured loan was availed by Coal India Limited, guaranteed by Government of India, from World Bank to finance Coal Sector Rehabilitation Project (CSRP) based on back to back agreement between the Company and Coal India Limited. The loan outstanding as on 31.03.2013 (net after repayments) is ₹ 109.88 crore (as at 31.03.2012 ₹ 131.93 crore). The details of balance are as under :

Bank	Balance 01.04.2012	Repayment during the year	Balance 31.03.2013	Balance 01.04.2012	Repayment during the year	Translation Difference	Balance 31.03.2013
	US \$	US \$	US \$	₹ in crore	₹ in crore	₹ in crore	₹ in crore
IBRD	11920249.95	1702481.00	10217768.95	61.43	9.20	3.77	56.00
	JP Yen(¥)	JP Yen(¥)	JP Yen(¥)				
JBIC	1115852776	194204955	921647821	70.50	12.41	-4.21	53.88
Total				131.93	21.61	-0.44	109.88

This includes amount repayable during the year 2013-14 - IBRD ₹ 9.90 crore (Previous year ₹ 8.77 crore)and JBIC ₹ 11.58 crore (Previous year ₹ 12.27 crore)

3.2 Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydraulic shovels from Leibherr, France. The loan outstanding as on 31.03.2013 (net after repayments) is ₹ 8.72 crore (As at 31.03.2012 ₹ 9.03 crore). The details of balance are as under :

Bank	Balance 01.04.2012	Repayment during the year	Balance 31.03.2013	Balance 01.04.2012	Repayment during the year	Translation Difference	Balance 31.03.2013
	Euro	Euro	Euro	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leibherr	1327305.86	74113.58	1253192.28	9.03	0.53	0.22	8.72
Total	1327305.86	74113.58	1253192.28	9.03	0.53	0.22	8.72

This includes amount repayable in the year 2013-14 ₹ 0.52 crore (previous year 0.50 crore.)

4.0 FIXED ASSETS - NOTE -10

- 4.1 The Company took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.
- 4.2 Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received . Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962 has been capitalized on the basis of possession certified by State Authorities.
- 4.3 Conveyance deed of land in favour of the company is pending for execution in most of the cases.
- 4.4 The carrying cost of the Fixed Assets acquired against World Bank aided projects and Deferred Credit has decreased to the extent of ₹ 0.13 crore (for previous year ended on 31.03.2012, increased by ₹ 8.30 crore) on account of exchange rate fluctuation in line with the accounting policy para 9.1 of Note -33.
- 4.5 During the year ended on 31st March , 2013, the fixed assets have been physically verified by the Company and necessary adjustments pertaining to physical verification has been made in accounts.
- 4.6 In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years., provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March , 2013, an amount of ₹ 0.89 crore has been provided on this account and the cumulative provision stood at ₹ 10.67 crore.(Note -10B)

5.0 NON-CURRENT/CURRENT INVESTMENT (Note 11 & Note 14)

- 5.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Company had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value ₹ 344.32 crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDC).

The details of the unredeemed bonds are as under:

(₹ in crore)

Particulars of Bonds	Opening Balance as at 01.04.2012	Redeemed during the year	Closing Balance as at 31.03.2013
MSEB	45.55	11.39	34.16
WBPDCL	45.26	11.31	33.95
TOTAL	90.81	22.70	68.11

All bonds are backed by respective State Governments' guarantees.

Bonds having value of ₹22.71 crore which are due for redemption in the year 2013-14 have been shown under current investment (Note -14) and balance amount of ₹45.40 crore has been shown under non-current investment (Note-11).

- 5.2 Interest from Power Bonds amounting to ₹7.24 crore (for previous year ending on 31.03.2012 ₹9.16 crore) has been earned during the year ended on 31st March, 2013.(Note -21)
- 5.3 The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

6.0 INVENTORIES (Note – 15)

6.1 Stores and Spares

- 6.1.1 During the year, the shortage / excess reported in respect of physical verification of stores/ spares have been adjusted in accounts. The cumulative provision as at 31.03.2013 stands at ₹0.86 crore (as at 31.03.2012 ₹0.87 crore).
- 6.1.2 Pending reconciliation of stores ledger with price ledger, the impact of shortage / excess if any, on the accounts for the year remain unadjusted in some areas.
- 6.1.3 In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2013 stands at ₹13.41 crore (as at 31.03.2012 ₹12.59 crore).
- 6.1.4 Valuation of stores and spares has been done on weighted average method as per accounting policy of the company (as mentioned in Para 6.2.2 of Note-33). The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.
- 6.1.5 The Company is yet to carry out exercise for identification of unserviceable / obsolete stores and spares in some of the areas.

6.2 Coal Stock (Note – 15)

- 6.2.1 Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy (refer Para 6.1 of Note -33).

7.0 CASH AND CASH EQUIVALENTS (Note – 17)

Cash and Bank Balance includes :

- 7.1 Fixed Deposit amounting to ₹66.74 crore and ₹111.31 crore have been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary companies i.e. M/S MJSJ Coal Ltd and M/S MNH Shakti Ltd respectively.
- 7.2 ₹1.33 crore including accrued interest of ₹0.74 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.
- 7.3 Fixed deposit includes ₹5.67 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.
- 7.4 Fixed deposit includes ₹0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.
- 7.5 The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.

8.0 LOANS AND ADVANCES CURRENT/NON CURENT OTHER ASSETS

- 8.1 Confirmations of balances of loans and advances have not been obtained in all the cases.
- 8.2 Deposit made with State Government amounting to ₹86.39 crore (previous year ₹93.85 crore) for acquiring of land under LAAct 1894 is included in "Advances for Capital" in Note-12 which will be capitalized on possession given to the Company by State Authority.

9.0 OTHER LONG TERM LIABILITIES (Note – 4)

- 9.1 Cess on Coal includes principal of ₹8.40 crore (net of payments) and interest of ₹9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current year, the Company has provided interest of ₹1.01 crore (previous year ₹1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹25.47 crore (as at 31.03.2012 ₹24.46 crore) as at 31.03.2013. The Company has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

10.0 PROFIT AND LOSS STATEMENT

- 10.1 Provision of ₹0.89 crore during the year ended on 31.03.2013 (for previous year ended on 31.03.2012 ₹0.90 crore) against P &M in stores/ under erection / installation has been taken at the depreciation rate on P&M items from the 4th year of purchase/acquisition as the case may be.
- 10.2 The details of Over Burden Removal Adjustment are given below:

(₹ in crore)

	Current Year	Previous Year
Expenditure to be Charged to Coal	3228.23	3378.59
Less : Expenditure incurred	1792.58	1611.44
	<u>1435.65</u>	<u>1767.15</u>

10.3 Effects of changes in accounting policies.

- i) Due to change in the rate of depreciation of photocopier, the profit for the year has been increased by ₹ 0.02 crore.
- ii) Due to discontinuation of earlier policy of making a further provision of 10% for deterioration of stock due to fire where the stock is valued at Net Realizable Value, the profit for the year has been increased by ₹ 5.06 crore.
- .iii) Prepaid expenses upto ₹ 0.10 crore in each case are now treated as revenue . Due to this change, the profit for the year has been decreased by ₹ 0.47 crore.
- iv) Due to introduction of old system of valuation of work shop jobs - finished & WIP at central workshops, the profit for the year has been increased by ₹ 7.37 crore.

11.0 CONTINGENT LIABILITIES

11.1 The details of contingent liability are given below: :

Particulars	As at 31.03.2013 (₹ in crore)	As at 31.03.2012 (₹ in crore)
Suits against the Company	158.18	174.83
Other Claims	1484.26	83.61
Central Excise Duty	142.24	—
Income Tax	729.49	159.37
Sales Tax	47.56	41.05
Road Tax	36.14	22.47
Letter of Comfort/Credit	179.53	180.57
TOTAL	2777.40	661.90

11.2 Some claims are pending in Court for enhancement of compensation for land acquired from private parties and others in respect of which the amount is not ascertained.

11.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) in relation to execution of works and purchase of machinery & equipment is ₹ 496.16 crore (as at 31.03.2012, ₹ 274.14 crore).

11.4 Estimated amount of contracts remaining to be executed on revenue account/ other commitments and not provided for is ₹4255.70 crore (as at 31.03.2012, ₹4223.71 crore)

11.5 Liability in some cases of land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 could not be ascertained and sanctioned and hence not provided for.

12.0 CHARGE ON CURRENT ASSETS (NOTE – 15 AND NOTE – 16)

A charge has been created for ₹ 165.00 crore on Book-debts and Inventories for securing working capital facility from CIL's Consortium Banks as per joint deed of hypothecation-dated 16.12.2003 and subsequent Company Board Resolution dated 23.08.2011.

13.0 RETIREMENT BENEFITS

13.1 Details of Actuarial liability/provision as on 31.03.2013 :

(₹ In Crore)

Head	Opening Actuarial Liability/Provision as on 01.04.12	Incremental Liability/Provision for the year	Deposited/ Paid to MCL Group fund upto end of the year	Closing Actuarial Provision/Liability as on 31.03.13
Gratuity	597.89	22.84	597.89	22.84
Earned Leave	134.98	16.17		151.15
Half Pay Leave	35.51	0.88		36.39
Life Cover Scheme	5.58	0.45		6.03
Settlement Allowance -Executives	0.15	0.08		0.23
Settlement Allowance –Non-Executives	15.06	0.07		15.13
Gross Personal Accident	0.13	-		0.13
Leave Travel Concession	20.82	8.98		29.80
Medical Benefits	3.27	37.82		41.09
Compensation to Dependants in case of mine accidental death	14.67	0.39		15.06
Total	828.06	87.68	597.89	317.85

Summary of actuarial assumptions are as under :

	As at 31-03-2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 per Thousand P.A. 6 above age 45 3 between 29 & 45 1 below age 29
Discount Rate	8.00 %
Inflation Rate	6.25 %
Return on Assets	8.00
Remaining Working Life	12
Formula Used	Projected Unit Credit Method

- 13.2 Contribution to Provident Fund and other fund (Note 24) of ₹ 161.42 crore includes ₹ 3.89 crore (previous year ₹ 4.02 crore) paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses Note -24 .
- 13.3 Pension management in respect of employees of the Company, is done by Coal Mines Provident Fund Authority (an independent body).

14.0 TRANSACTIONS RELATING TO HOLDING COMPANY

- 14.1 Service charges of CIL as per Note -31 amounting to ₹ 60.62 crore including service tax (for previous year ended on 31.03.2012 ₹ 56.87 crore) is levied by the Holding Company towards rendering various services like procurement, foreign contract, marketing and Corporate Service, based on agreement entered on 1st July, 1998 as per intimation from Holding company.
- 14.2 Training expenses (Note 31- Other expenditure) includes an amount to ₹ 5.39 crore (for previous ended on 31.03.2012 ₹ 5.16 crore) levied by the Holding Company on account of payment to Indian Institute of Coal Management.
- 14.3 As per CIL Board resolution in its 214th meeting held on 12.2.2004, the Company has charged ₹ 67.18 crore (for previous ended on 31.03.2012 ₹ 61.51 crore) on despatch of coal towards Rehabilitation Fund set up by Coal India Limited.

15.0 EXCHANGE RATE FLUCTUATION

- 15.1 Consequent upon fluctuation in the value of foreign currency loans, the rupee liability of the Company in respect of such loans has decreased by ₹ 0.22 crore (as at 31.03.2012, increased by ₹ 19.07 crore). This decrease has been adjusted in the carrying cost of the fixed assets to the extent of decrease of ₹ 0.13 crore (as at 31.03.2012 increase by ₹ 8.30 crore) and the balance of ₹ 0.09 crore (as at 31.03.2012, loss for ₹ 10.77 crore) has been shown as "Gain on Foreign Exchange Transaction" in Note -21.

16.0 COMPLIANCE OF ACCOUNTING STANDARDS

- 16.1 **AS-12: Accounting for Government Grants** : The Company has recognized ₹ 0.55 crore (Note -21) (for previous ended on 31.03.2012 ₹ 0.29 crore) as Income from Stowing and Protective Subsidy and ₹ 12.46 crore of CCDA grant has been deducted from Long term advance capital (Note -12) .
- 16.2 **AS-15 : Accounting for Employee Benefits** : The company has determined the liability for employee benefits as at 31.03.2013 in accordance with the revised AS 15 -Employee benefits issued by ICAI .

The following disclosures have been made in accordance with AS-15 (Revised) pertaining to gratuity (funded plan).

Table showing changes in present value of Obligations :

(₹ in crore)

Particulars	As at 31.03.2013
Present Value of Obligation at Beginning of year	597.89
Acquisition Adjustment	0.00
Interest Cost	46.13
Past Service Cost	0.00
Current Service Cost	32.38
Curtailement cost	0.00
Settlement Cost	0.00
Benefits Paid	42.58
Actuarial gain/loss on Obligations	-2.91
Present Value of Obligation at end of Year	630.91

Table showing changes in fair value of Plan Assets :

Particulars	As at 31.03.2013
Fair Value of Plan Asset At Beginning of year	473.92
Acquisition Adjustment	0.00
Expected Return on Plan Asset	37.91
Contributions	123.96
Benefits Paid	42.58
Actuarial gain/loss on Plan Asset	14.86
Fair Value of Plan Asset at End of year	608.07

Table showing Funded Status :

(₹ in crore)

Particulars	As at 31.03.2013
Present Value of Plan at end Year	630.91
Fair Value of Plan at end Year	608.07
Funded Status	-22.84
Unrecognized actuarial gain/ at end of the year	0.00
Net Asset (Liability) Recognized in Balance Sheet	-22.84

Table showing expense recognized in Statement of Profit/Loss :

(₹ in crore)

Particulars	As at 31.03.2013
Current Service Cost	32.38
Past Service Cost	0.00
Interest Cost	46.13
Expected Return on Plan Asset	37.91
Curtailement cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-17.76
Expense Recognized in of Profit/Loss	22.84

Table showing Actuarial Assumptions :

Particulars	As at 31.03.2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 Per Thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8.00
Inflation Rate	6.25
Return on Asset	8.00
Remaining Working Life	12
FORMULA USED	Projected Unit Credit Method

Movements in the liability recognized in Balance Sheet:

(₹ in crore)

Particulars	As at 31.03.2013
Opening Net Liability	123.96
Expenses as above	22.84
Contributions	123.96
Closing Net Liability	22.84
Closing Fund/Provision at end of Year	630.91

The following disclosures has been made in accordance with AS-15 (Revised) pertaining to leave encashment benefits (EL/HPL) (unfunded plan).

Table showing changes in present value of Obligations :

(₹ in Crore)

Particulars	As at 31.03.2013
Present Value of Obligation at Beginning of year	170.49
Acquisition Adjustment	0.00
Interest Cost	13.33
Past Service Cost	0.00
Current Service Cost	53.87
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	7.74
Actuarial gain/loss on Obligations	-42.41
Present Value of Obligation at end of Year	187.54

Table showing expense recognized in Statement of Profit/Loss :

(₹ in Crore)

Particulars	As at 31.03.2013
Current Service Cost	53.87
Past Service Cost	0.00
Interest Cost	13.33
Expected Return on Plan Asset	0.00
Curtailement cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-42.41
Expense Recognized in Statement of Profit/Loss	24.79

Table showing Actuarial Assumptions :

(₹ in Crore)

Particulars	As at 31.03.2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 Per Thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8.00
Inflation Rate	6.25
Return on Asset	0.00
Remaining Working Life	12
FORMULA USED	Projected Unit Credit Method

Movements in the liability recognized in Balance Sheet :

(₹ in Crore)

Particulars	As at 31.03.2013
Opening Net Liability	0.00
Expenses as above	24.79
Contributions	0.00
Closing Net Liability	24.79
Closing Fund/Provision at end of Year	187.54

Note as per Appendix – B of AS – 15 (Revised 2005) :

As the scheme is unfunded charges to Profit/Loss Account has been based on following assumptions :

- (1) Previous obligation was provided for at last accounting date
- (2) Benefit to exits has been paid to debit of above provision
- (3) Current obligation will be provided for at current accounting date

- 16.3 **AS-16: Borrowing Cost** - There are no qualifying assets for which interest has been borne by the Company, as such no borrowing cost has been capitalized.
- 16.4 **AS-17: Segment Reporting** - The Company is primarily engaged in a single segment business of production and sale of coal. There is no reportable primary segment identifiable in accordance with AS-17.
- 16.5 **AS -18 Related party disclosures** - In view of exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transactions with such enterprises , no disclosure under AS 18 is required.
- 16.6 **AS-20: Earning per share** - The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The computation of EPS is set out below:

Particulars	Current year ended on 31.03.2013	Previous year ended on 31.03.2012
Profit after tax (₹ in crore)	4212.44	3709.51
Profit attributable to ordinary shareholders. (₹ in crore.)	4212.44	3709.51
No. of Ordinary Shares for basic and diluted EPS (Nos)	1864009	1864009
Nominal value of Ordinary Shares (₹)	1000	1000
Basic & Diluted Earning per ordinary Share (₹)	22598.82	19900.71

- 16.7 **AS – 21 : Investments in subsidiaries** : The position of investment and other current accounts in the subsidiaries as at 31.03..2013 are as under :

Name of Subsidiary	Stake in Subsidiary	Date of incorporation	Investment in equity shares (₹ in crore)	Balance in Current Accounts (₹ in crore)
1. MNH Shakti Ltd.	70%	16.07.2008	59.57	2.51
2. MJSJ Coal Ltd.	60%	13.08.2008	57.06	1.32
3. Mahanadi Basin Power Ltd.	100%	02.12.2011	0.05	8.05
TOTAL			116.68	11.88

All the subsidiaries are in development stage.

16.8 AS – 27 : Financial Reporting of Interests in Joint Ventures :

On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt. Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd . Upto 31.03.2013, the company has incurred ₹0.02 crore for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -18). There is no investment in the joint venture company upto 31.03.2013.

16.9 AS-28: Impairment of assets:

In coal industry, fixed assets are classified under Major heads viz. Land, Buildings, Plant and Machinery, Exploration Boring and Development, In case of land and building , there is universally upward trend in valuation. Unless there is damage to buildings, there is no need to make any provision. Similarly in case of plant and machinery , there is no downward trend in price as per RBI index, hence no impairment unless asset is obsolete or damaged . However impairment is considered for old machinery meant for exclusive use in loss making underground mines. In coal industry, only prospecting, boring and development expenses can be prima facie considered to have been impaired in continuous loss making mines , provided there is no clear indication for its revival in near future.

A provision for ₹0.36 crore (for previous year ending on 31.03.2012 ₹0.56 crore) has been made during the year against other fixed assets (with no alternative use value) . Thus total cumulative provision for Impairment as at 31.03.2013 stands at ₹26.09 crore (as at 31.03.2012 ₹25.75 crore), after adjustment of ₹0.02 crore

16.10 Accounting Standard 29:

16.10.1As per guideline No 55011-01-2009-CPAM dt 27.08.2009 issued by Ministry of Coal, Government of India, the company has made a provision during the current year for Mine Closure Expenses in respect of all operating mines based on mine closure plan prepared by Central Mine Planning & Design Institute Limited.

16.10.2Provision for Mine Closure Expenses Note -5 includes ₹5.54 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure ₹1.18 crore against a comprehensive scheme of ₹9.44 crore (Excluding departmental salary and wages for ₹18.21 crore). As the stabilization of unstable workings of Deulbera Colliery through sand stowing is being carried out by existing departmental manpower of Deulbera Colliery, salaries and wages for ₹18.21 crore being part of the scheme has not been provided for.

16.10.3 Details of movements in provision in accordance with AS – 29 :

(₹ In Crore)

Sl. No.	Particulars	Opening Balance As at 01.04.2012	Provision/addition during the Current Year	Paid/adjustment during the Current Year	Balance As at 31.03.2013
1.	Provision for Reclamation of Land	0.79	—	—	0.79
2.	OBR Adjustment	7066.53	1435.65	—	8502.18
3.	Provision for Taxation (including Wealth Tax)	1854.57	1964.83	1831.65	1987.75
4.	Provision for Dividend	1219.06	1028.93	1219.06	1028.93
5.	Mine Closure Plan	177.06	68.34	-1.18	244.22
6.	Provision for Doubtful Debts	28.60	-7.58	—	21.02
7.	Provision for Loans & Advances	3.36	-0.39	—	2.97
8.	Provision for Capital Work-in-Progress	10.05	0.89	-0.06	10.88
9.	Provision for Stores & Spares	13.46	0.81	—	14.27
10.	Provision for Loss of Assets	0.23	—	—	0.23

17.0 ACCOUNTING FOR TAXES ON INCOME

17.1 For the current year, the Income Tax provision has been taken at ₹ 1964.72 crore (Previous year ended on 31.03.2012 ₹ 1823.70 crore). In addition, ₹ 0.11 crore has been provided for current wealth tax.

17.2 As per requirement of Accounting standard -22, there is a net deferred tax liability of ₹ 60.68 crore as at 31.03.2013 (as at 31.03.2012 Liability ₹ 35.36 crore). The Deferred tax liability/assets comprises of tax effect of timing differences as detailed below:

	As on 31.03.2013 (₹ in crore)(liability)	As on 31.03.2012 (₹ in crore)(liability)
Deferred Tax Liability		
Excess of Net Block over written down value as per provisions of Income Tax Act, 1961	20.64	45.19
Deferred Tax Asset		
Provision for Doubtful Debts	3.49	5.95
Provision for Other Employee Benefits	—	—
Provision for Leave Encashment	51.02	47.54
Provision for Gratuity	11.79	44.00
Provision for Doubtful Advances	0.94	1.06
Disallowance u/s 43B of I. T. Act	15.35	15.38
Other Provision/Misc. items	-122.63	- 104.10
Sub Total	-40.04	9.83
Total	60.68	35.36
Net Deferred Tax liability	60.68	35.36

18.0 GENERAL

- 18.1 Confirmation of balances of Sundry Creditors., various advances and deposits received etc. has not been obtained in all cases.
- 18.2 The Company has not received any intimation from "suppliers." regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.
- 18.3 Previous year figures have been re-arranged, re-grouped wherever necessary, to make them more comparable with those of current year.

19.0 OTHERS**A. Directors' Remuneration***(₹ In Crore)*

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Salary	1.08	0.73
P. F.	0.10	0.08
Perquisites	0.02	0.01
TOTAL	1.20	0.82

Note :

- (i) Perquisites do not include value/charges for house rent/electrical energy, which has been recovered as per rules of the Company and value of free medical facilities in Company hospitals/ dispensary.
- (ii) The Chairman-cum-Managing Director and full time Directors. have the option to use the staff car for purposes other than official duty up to a ceiling of 750 Km per month, on payment at concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

B. Imports*(₹ In Crore)*

C. I. F. Value of Imports	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(i) Raw Materials	Nil	Nil
(ii) Components and Spare Parts	2.96	Nil
(iii) Capital Goods	1.28	5.97

C. Expenditure in Foreign Currency**(₹ In Crore)**

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(i) Travelling	0.03	0.03
(ii) Commitment Charges	Nil	Nil
(iii) Interest	2.05	2.03
(iv) Others	Nil	Nil

D. Value of Imported/Indigenous Raw Materials, Stores & Spares and Components Consumed

Particulars	For Current Year Ended 31.03.2013 Value (₹ in Crore)	Percentage	For the Previous Ended 31.03.2012 Value (₹ in Crore)	Percentage
Imported	0.10	0.02	6.09	1.21
Indigenous	555.65	99.98	496.58	98.79
Total	555.75	100.00	502.67	100.00

20.0 APEX OFFICE AND INTEREST CHARGES TO HOLDING COMPANY

20.1 Apex office charges as levied by Holding Company has been allocated to revenue mines on the basis of coal production.

20.2 Interest on loans through Holding Company for procurement of specific assets has been accounted for as per terms of loan agreement and corresponding memos from them.

21.0 Revision of Schedule VI to the Companies Act 1956 (w.e.f. 01.04.2011)

Following the Gazette notification dated 30th March, 2011 the Schedule VI of the Companies Act 1956 dealing with the format of Balance Sheet has modified and a format for Statement of Profit & Loss is introduced.

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia, the following segregation have been made in the Balance Sheet:-

Current Assets :

An asset has been classified as current when it satisfies any of the following criteria:-

It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle

It is held primarily for the purpose of being traded

It is expected to be realized within twelve month after the reporting date

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Non-Current Assets :

All assets other than current assets are non-current assets.

Current Liabilities :

A liability has been classified as current when it satisfies any of the following criteria :

It is expected to be settled in the company's normal operating cycle

It is held primarily for the purpose of being traded

It is due to be settled within twelve month after the reporting date

The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Non-Current Liabilities :

All liabilities other than current liabilities are Non- Current Liabilities.

As there is no normal operating cycle, the same is considered to be 12 months period.

:

For and on behalf of Board of Directors

Sd/-
A.K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

Place: Burla
Date : 16.05.2013

As per our report of even date

For & On behalf of
PAMS & Associates,
Chartered Accountants

Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 055113)

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2013

	For the year ended on 31.03.2013 (₹ in Crore)	For the year ended on 31.03.2012 (₹ in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	6202.48	5463.69
Adjustment for :		
Depreciation & Impairment	173.79	253.38
Exchange Rate Fluctuation	(0.09)	10.77
OBR Adjustment	1435.65	1767.15
Interest / Dividend (Received)	(1531.84)	(1249.36)
Interest/Financial Charges (Paid)	4.97	5.38
Provision against Debtors/Inventories/Other CA/Loans & Advances etc.	194.66	249.34
Operating Profit before Working Capital Changes	6479.62	6500.35
Adjustments for :		
Changes in Inventories	85.03	(62.36)
Changes in Trade Receivables	(200.74)	(148.89)
Changes in Long Term/Non Current Loan & Advances/Assets	(93.08)	(37.94)
Changes in Short Term/Current Loans and Advances/Assets	(470.40)	(275.32)
Changes in Trade Payable/Current Liabilities/Long Term Liabilities	21.66	637.00
Cash Generated from Operations	5822.09	6612.84
Direct taxes paid	(2622.64)	(2269.07)
Cash Flow before Extraordinary Items	3199.45	4343.77
Extraordinary items	—	—
Net Cash from Operating Activities	3199.45	4343.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(458.94)	(419.34)
Short Term Deposit with CIL	(153.54)	(131.30)
Miscellaneous Receipts	—	—
Acquisition of Companies	—	—
Purchase of New Investments (Current/Non-Current)	(678.25)	(346.10)
Interest Received	1508.21	1247.10
Dividend received from Mutual Funds Received(non-trade)	23.63	2.26
Net Cash used in Investing Activities	241.11	352.62

CASH FLOW STATEMENT FOR THE YEAR ended on 31.03.2013 (Contd..)

	For the year ended on 31.03.2013 (₹ in Crore)	For the year ended on 31.03.2012 (₹ in Crore)
C. CASH FLOW FROM FINANCING ACTIVITIES		
World Bank Loans through CIL	(22.05)	(0.76)
Deferred Credit Loan	(0.31)	0.05
Exchange Rate Fluctuation	0.09	(10.77)
Repayment of CIL Loan	—	—
Redemption of preference share capital	—	—
Interest and financial charges	(4.97)	(5.38)
Dividend paid	<u>(2720.51)</u>	<u>(2176.56)</u>
Net Cash used in Financing Activities	<u>(2747.75)</u>	<u>(2193.42)</u>
Net increase in Cash and Cash Equivalents	692.81	2502.97
Cash and cash equivalents as at beginning of the year	<u>12390.19</u>	<u>9887.22</u>
Cash and Cash Equivalents as at end of the period	<u>13083.00</u>	<u>12390.19</u>

The aforesaid statement is prepared on indirect method

The figures of the previous year have been reclassified to confirm to current year classification.

Note : Cash & Cash Equivalents amounting to ₹ 184.24crore (as at 31.03.2012 ₹ 184.55crore) (refer para 7.0 of Additional Notes on Accounts) are not available for use by the Company.

For and on behalf of Board of Directors

Sd/-
A.K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

Place: Burla
Date : 16.05.2013

As per our report on even date

For PAMS & Associates,
Chartered Accountants
Sd/-
(M P Mahapatra)
Partner
(Membership No. 55113)

Annual Accounts (Consolidated)
MCL & its Subsidiaries
2012-13

Note : The Consolidated Accounts have been prepared according to the provisions of the Accounting Standard – 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

The Consolidated Accounts are presented here as an additional information to the users and are not mandatory as per the provisions of the Companies Act, 1956.

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

[₹ in Crore]

	<u>Notes</u>		As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES				
1. Shareholders' Funds:				
(a) Share Capital	1	186.40	186.40	
(b) Reserves and Surplus	2	8751.19	7486.49	7672.89
			8937.59	
2. Non-Current Liabilities :				
(a) Long Term Borrowing	3	96.60	119.42	
(b) Deferred Tax Liability (Net)		60.68	35.36	
(c) Other Long Term Liabilities	4	41.49	33.86	
(d) Long Term Provisions	5	9085.60	7508.57	
			9284.37	7697.21
3. Minority Interest				
			63.60	53.60
4. Current Liabilities :				
(a) Short Term Borrowings	6	—	—	
(b) Trade Payables	7	257.42	217.83	
(c) Other Current Liabilities	8	2386.79	2411.93	
(d) Short Term Provisions	9	1458.83	1605.35	
			4103.04	4235.11
Total			22388.60	19658.81
II. ASSETS :				
1. Non-Current Assets				
(a) Fixed Assets				
(i) Tangible Assets – Gross Block	10A	4438.62	4102.33	
Less : Depreciation, Impairment and Provisions		2210.28	2038.27	
Net Carrying Value			2228.34	2064.06
(ii) Intangible Assets – Gross Block	10A	246.88	244.89	
Less : Depreciation, Impairment and Provisions		194.68	191.23	
Net Carrying Value			52.20	53.66
(iii) Capital Work-in-Progress	10B		295.30	202.54
(iv) Intangible Assets under Development	10C		274.12	241.20
(b) Non-Current Investments	11		1004.10	376.85
(c) Deferred Tax Assets (Net)			—	—
(d) Long Term Loans and Advances	12		381.68	287.43
(e) Other Non-Current Assets	13		—	—
2. Current Assets				

BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

(₹ in Crore)

	<u>Notes</u>	As at 31.03.2013	As at 31.03.2012
(a) Current Investments	14	58.71	22.71
(b) Inventories	15	571.53	648.70
(c) Trade Receivables	16	430.91	222.59
(d) Cash and Cash Equivalents	17	13145.14	12441.25
(e) Short Term Loans and Advances	18	3115.16	2571.73
(f) Other Current Assets	19	831.41	526.09
		18152.86	16433.07
Total		22388.60	19658.81
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form an integral part of Balance Sheet

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

Date: 16.05.2013
Place: Burla

As per our report on even date
For PAMS & Associates,
Chartered Accountants
Sd/-
(M P Mahapatra)
Partner
(Membership No. 55113)

PROFIT & LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDING 31ST MARCH, 2013

(₹ in Crore)

	Notes	FOR THE YEAR ENDED ON 31.03.2013	FOR THE YEAR ENDED ON 31.03.2012
INCOME :			
Sale of Coal	20	13190.42	12068.60
Less : Excise Duty		649.73	513.98
Other Levies		2518.20	2107.11
Revenue from Operations		10022.49	9447.51
Other Income	21	2070.72	1723.50
Total Revenue		12093.21	11171.01
EXPENSE :			
Cost of Materials Consumed	22	555.75	502.67
Change in inventories of finished goods, work in progress and Stock-in-trade	23	90.25	(39.73)
Employee benefit expenses	24	1711.67	1602.70
Power and Fuel		116.11	108.24
Welfare Expenses	25	49.34	41.77
Repairs	26	86.21	57.19
Contractual Expenses	27	1253.20	948.78
Finance Costs	28	4.97	5.38
Depreciation/Amortization/Impairment		240.52	315.99
Provisions	29	59.12	118.17
Write off	30	—	—
Overburden Removal Adjustment		1435.65	1767.15
Other Expenses	31	295.34	292.17
Total Expenses		5898.13	5720.48
Profit/(Loss) before extraordinary Items, exceptional items and tax		6195.08	5450.53
Prior Period Adjustment {charges/(Incomes)}	32	(7.40)	(13.16)
Exceptional Items		—	—
Profit/(Loss) before extraordinary items and tax		6202.48	5463.69
Extraordinary Items { charges/(Incomes)}		—	—
Profit/(Loss) before tax		6202.48	5463.69
Less : Tax Expenses			
— Current Year		1964.72	1823.70
— Deffered Tax		25.32	(69.57)
— Earlier years		—	0.05
Profit/(Loss) after tax		4212.44	3709.51
Basic and Diluted Earning per share (in Rs.) (Face Value of Rs. 1000/- per share)		22598.82	19900.71
Significant Accounting Policies	33		
Additional Notes on Accounts	34		

The Notes referred to above form integral part of Profit & Loss Statement.

For and on behalf of Board of Directors

Sd/-
A. K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

Date: 16.05.2013
Place: Burla

As per our report on even date
For PAMS & Associates,
Chartered Accountants
Sd/-
(M P Mahapatra)
Partner
Membership No. 055113

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 1

SHARE CAPITAL

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
AUTHORISED		
(i) 2958200 Equity Shares of Rs.1000/- each	295.82	295.82
(ii) 2041800 10% Cumulative Redeemable Preference shares of Rs. 1000/- each (Redeemed on as per terms of earliest redemption)	204.18	204.18
	500.00	500.00
ISSUED, SUBSCRIBED AND PAID - UP		
1864009 Equity shares of Rs 1000/- each fully paid-up in cash	186.40	186.40
	186.40	186.40

NOTE 1 : Shares in the Company held by each shareholder holding more than 5% Shares.

Name of Shareholder	No. of shares Held (Face Value of Rs. 1000 each)	% of total Shares
CIL and its Nominees	1864009	100%

NOTE 2 : During the period, there is no change in the number of shares.

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 2

RESERVES AND SURPLUS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
RESERVES :		
Capital Reserve :		
As per last Balance Sheet	—	—
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	—	—
Capital Redemption Reserve		
As per last Balance Sheet	204.18	204.18
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	204.18	204.18
Reserve for Foreign Exchange Transactions		
As per last Balance Sheet	—	—
Add : Addition during the period	—	—
Less : Adjustment During the period	—	—
	—	—
C S R Reserve		
As per last Balance Sheet	53.46	31.66
Add : Addition during the period	51.56	50.14
Less : Transfer to General Reserve	25.56	28.34
	79.46	53.46
Sustainable Development Reserve		
As per last Balance Sheet	—	—
Add : Addition during the period	4.11	—
Less : Transfer to General Reserve	0.27	—
	3.84	—
General Reserve :		
As per last Balance Sheet	1954.31	1555.02
Add : Transfer from Profit & Loss Statement	421.24	370.95
Add/Less : Adjustment during the period	25.83	28.34
	2401.38	1954.31
Surplus in Profit & Loss Account		
As per last Balance Sheet	5276.07	4570.88
Profit/(Loss) after Tax during the period	4212.44	3709.51
	9488.51	8280.39
Appropriation		
Reserve for Foreign Exchange Transaction	—	—
Transfer to General Reserve	421.24	370.95
Transfer to CSR Reserve	51.56	50.14
Interim Dividend	1500.52	1006.56
Proposed Dividend on Equity Shares	1028.93	1219.99
Corporate Dividend Tax	418.29	356.68
Transfer to Sustainable development reserve	4.11	—
	6063.86	5276.07
Miscellaneous Expenditure (to the extent not written off)		
Preliminary expenses	1.53	1.53
Pre-Operational Expenses	—	—
TOTAL	8751.19	7486.49

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 3

LONG TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Loan from Coal India Limited		
— for IBRD	46.09	52.66
— for JBIC	42.31	58.23
Export Development Corp., Canada	—	—
Liebherr France S. A., France	8.20	8.53
Loan from Coal India Limited	—	—
Total	96.60	119.42
CLASSIFICATION 1		
Secured	—	—
Unsecured	96.60	119.42
CLASSIFICATION 2		

1. Loan Guaranteed by Directors & others

Particulars of Loan	₹ in crore	Nature of Guarantee
Loan from CIL for IBRD & JBIC	109.88	Guaranteed By Govt. of India

2. The amount of ₹ 109.88 crore include current repayment in 2013-14 (Note – 8)

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 4

OTHER LONG TERM LIABILITIES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Shifting & Rehabilitation Fund		
Opening Balance	—	—
Add :Interest from Investment of the fund	—	—
Add :Contribution Received	—	—
Less :Amount utilised	—	—
	—	—
Trade Payable	—	—
Security Deposits	16.02	9.40
Refund of Cess on Coal	25.47	24.46
	—	—
Total	41.49	33.86

Note – 5

LONG TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Employee Benefits		
— Gratuity	—	—
— Leave Encashment	170.70	159.96
— Other Employee Benefits	167.71	104.23
For Foreign Exchange Transactions (Marked to Market)	—	—
OBR Adjustment Account	8502.18	7066.53
Mine Closure Expenses	245.01	177.85
For Others	—	—
	—	—
TOTAL	9085.60	7508.57

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 6

SHORT TERM BORROWINGS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
LOAN FROM BANKS	–	–
Loans Repayable on Demand		
Balance with CIL and other Subsidiaries of CIL	–	–
Overdraft against Pledge of Term Deposit	–	–
Other Loans and Advances		
Deferred Credits	–	–
Total	–	–

CLASSIFICATION 1

Secured	–	–
Unsecured	–	–

CLASSIFICATION 2

Loan Guaranteed by Directors & others

Particulars of Loan	₹ in crore	Nature of Guarantee
NIL	NIL	NIL

Note – 7

TRADE PAYABLE

	As at 31.03.2013	(₹ in Crore) As at 31.03.2012
Sundry Creditors for Supplies		
For Revenue	257.42	217.83
TOTAL	257.42	217.83

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 8

OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Current Maturities of Long Term Borrowings		
Term Loan from IBRD from CIL	9.90	8.77
Term Loan from JBIC from CIL	11.58	12.27
Term Loan from Liebherr France S. A., France	0.52	0.50
Loan from CIL	–	–
Surplus Funds from CIL	–	–
Current Account with Subsidiaries	–	–
	22.00	21.54
Sundry Creditors for Capital (including stores)	382.62	137.52
For Expenses		
Salary Wages and Allowances	155.43	256.09
Power and Fuel	16.63	15.93
Others	58.49	43.52
	230.55	315.54
Statutory Dues		
Sales Tax	2.80	7.38
Sales Tax/VAT	3.42	3.42
Provident Fund and Pension Fund	6.35	4.40
Central Excise Duty	71.98	71.14
Royalty and Cess on Coal	119.52	88.07
Stowing Excise Duty	31.82	27.73
Clean Energy Cess	55.27	94.64
Other Statutory Levies	1.47	2.32
	292.63	299.10
Income Tax Deducted at Source	6.97	4.49
Security Deposit	61.41	64.39
Earnest Money	12.44	9.73
Advance and Deposit from customers/others	1296.17	1378.07
Interest Accrued and due on Borrowings	–	–
Interest Accrued but not due on Borrowings	–	–
Cess Equilisation Account	–	–
Current Account with IICM	–	–
Unpaid Dividend	–	–
Ex-Owner Account	–	–
Advance Deposit other Pre-Nationalisation	–	–
Gratuity	36.36	135.96
Other Liabilities	45.64	45.59
TOTAL	2386.79	2411.93
Note :		
Loan repayment Liebherr France during 2013-14	74113.58	Euro (₹ 0.52 Crore)
Loan repayment IBRD during 2013-14	1807003.00	USD (₹ 9.90 Crore)
Loan repayment JBIC during 2013-14	197981123.00	Yen (₹ 11.58 Crore)

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 9

SHORT TERM PROVISIONS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Employee Benefits		
— Gratuity	—	—
— Leave Encashment	18.09	10.52
— PPLB	53.55	41.10
— PRP	183.16	135.51
— Other Employee Benefits(4% for post retire med benefit)	—	0.07
For Proposed Dividend	1028.93	1219.99
For Corporate Dividend Tax	174.87	197.91
For Excise duty on Closing Stock of Coal	—	—
For Others (Wealth Tax)	0.23	0.25
	1458.83	1605.35
TOTAL	1458.83	1605.35

NOTES TO BALANCE SHEET(CONSOLIDATED) AS AT 31ST MARCH, 2013

Note - 10A

FIXED ASSETS

(₹ in Crore)

PARTICULARS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS/OTHER LOSS				Total Depreciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
TANGIBLE ASSETS :															
LAND :															
(a) Freehold	2.49	—	—	2.49	—	—	—	—	—	—	—	—	—	2.49	2.49
(b) Leasehold	946.84	314.68	—	1261.52	274.33	42.35	—	316.68	—	—	—	—	316.68	944.84	672.51
Building/Water Supply/ Road & Culverts	468.60	10.71	(2.70)	476.61	149.21	9.91	(0.10)	159.02	0.34	—	—	0.34	159.36	317.25	319.05
Plant & Machinery	2290.78	68.90	(69.19)	2290.49	1420.72	163.01	(63.31)	1520.42	3.92	—	(0.02)	3.90	1524.32	766.17	866.14
Furniture & Fittings/Office Tools & Equipments/Electrical Fittings/Fire Arms	61.83	4.32	(1.49)	64.66	41.68	6.69	(3.79)	44.58	0.01	—	—	0.01	44.59	20.07	20.14
Railway Siding	162.14	1.12	—	163.26	68.40	7.22	—	75.62	0.10	—	—	0.10	75.72	87.54	93.64
Vehicle	26.35	1.37	(1.66)	26.06	16.99	1.45	(1.57)	16.87	0.01	—	—	0.01	16.88	9.18	9.35
Telecommunication	13.82	—	—	13.82	3.98	0.52	0.14	4.64	—	—	—	—	4.64	9.18	9.84
Development including Roads & Culverts in Mining Area	129.48	7.57	2.66	139.71	58.21	3.30	6.21	67.72	0.37	—	—	0.37	68.09	71.62	70.90
TOTAL	4102.33	408.67	(72.38)	4438.62	2033.52	234.45	(62.42)	2205.55	4.75	—	(0.02)	4.73	2210.28	2228.34	2064.06
Previous Year															
Tangible Fixed Assets	3800.32	397.33	(77.32)	4102.33	1778.36	305.91	(50.75)	2033.52	4.75	—	—	4.75	2038.27	2064.06	2017.21
INTANGIBLE ASSETS															
Developments	190.62	2.10	(2.18)	190.54	138.60	7.54	(6.14)	140.00	20.98	0.36	—	21.34	161.34	29.20	31.04
Software	2.67	—	—	2.67	2.67	—	—	2.67	—	—	—	—	2.67	—	—
Prospecting & Boring	51.60	1.26	0.81	53.67	28.96	1.65	0.04	30.65	0.02	—	—	0.02	30.67	23.00	22.62
TOTAL	244.89	3.36	(1.37)	246.88	170.23	9.19	(6.10)	173.32	21.00	0.36	(0.02)	21.36	194.68	52.20	53.66
G. TOTAL	4347.22	412.03	(73.75)	4685.50	2203.75	243.64	(68.52)	2378.87	25.75	0.36	—	26.09	2404.96	2280.54	2117.72
Previous Year															
Intangible Fixed Assets	233.35	8.12	3.42	244.89	170.88	11.13	(11.78)	170.23	20.44	0.56	—	21.00	191.23	53.66	42.03

NOTES TO BALANCE SHEET(CONSOLIDATED) AS AT 31ST MARCH, 2013

Note - 10B

CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depriciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
TANGIBLE ASSETS :															
Building/Water Supply/ Road & Culvert	12.57	23.12	(18.64)	17.05	0.21	—	—	0.21	—	—	—	—	0.21	16.84	12.36
Plant & Machinery	157.84	136.37	(49.59)	244.62	9.84	0.89	(0.06)	10.67	—	—	—	—	10.67	233.95	148.00
Railway Sidings	33.96	2.35	(0.48)	35.83	—	—	—	—	—	—	—	—	—	35.83	33.96
Roads & Culverts in Mining Area	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	204.37	161.84	(68.71)	297.50	10.05	0.89	(0.06)	10.88	—	—	—	—	10.88	286.62	194.32
Previous Year															
Tangible Assets	96.55	204.33	(96.51)	204.37	9.14	0.91	—	10.05	—	—	—	—	10.05	194.32	87.41
Surveyed off Assets	20.56	3.93	(2.80)	21.69	12.34	2.20	(1.53)	13.01	—	—	—	—	13.01	8.68	8.22
Previous Year															
Surveyed off Assets	20.12	3.72	(3.28)	20.56	12.07	2.22	(1.95)	12.34	—	—	—	—	12.34	8.22	8.05
GRAND TOTAL	224.93	165.77	(71.51)	319.19	22.39	3.09	(1.59)	23.89	0	0	0	0	23.89	295.30	202.54
Previous Year															
GRAND TOTAL	116.67	208.05	-99.79	224.93	21.21	3.13	-1.95	22.39	0	0	0	0	22.39	202.54	95.46

NOTES TO BALANCE SHEET(CONSOLIDATED) AS AT 31ST MARCH, 2013

Note - 10C

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

PARTICULARS	COST				PROVISION				IMPAIRMENT LOSS/OTHER LOSS				Total Depriciation/ Impairment Loss/Other Loss	NET CARRYING VALUE	
	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13	As on 01.04.2012	Addition During the Year	Adj./Sales/ Transfer During the Year	As on 31.03.13		As on 31.03.13	As on 31.03.12
INTANGIBLE ASSETS															
Development	118.24	27.63	(2.46)	143.41	—	—	—	—	—	—	—	—	—	143.41	95.51
Prospecting & Boring	122.96	7.28	0.47	130.71	—	—	—	—	—	—	—	—	—	130.71	96.32
TOTAL	241.20	34.91	(1.99)	274.12	—	—	—	—	—	—	—	—	—	274.12	191.83
Previous Year															
Intangible Assets	206.20	43.40	(8.50)	241.20	2.02	—	(2.02)	—	—	—	—	—	—	241.20	204.28

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 11

NON-CURRENT INVESTMENTS — QUOTED/UNQUOTED AT COST

	Number of shares/bonds/ securities current year	Face Value per share/bond/ security current year (₹)	As at		Face Value per share/bond/ security As at (₹)	As at	
			31.03.2013 (₹ in Crore)	31.03.2012		31.03.2012 (₹)	31.03.2012 (₹ in Crore)
TRADE (UNQUOTED)							
8.5% Tax Free Special Bonds (Fully Paid up)							
(on securitisation of Sundry Debtors)							
Major State-wise Break-up							
UP	—	—	—	—	—	—	—
Haryana	—	—	—	—	—	—	—
Maharashtra State Electricity Board	227720	1000	22.77	341580	1000	34.16	
Madhya Pradesh	—	—	—	—	—	—	—
Gujarat	—	—	—	—	—	—	—
West Bengal State Electricity Board	226320	1000	22.63	339480	1000	33.94	
Others	—	—	—	—	—	—	—
NON – TRADE (QUOTED)							
7.55% Secured Non – Convertible IRFC Tax free 2021 series 79 bonds	20000	100000	200.00	20000	100000	200.00	
8% Secured Non – Convertible IRFC bonds Tax free	1087537	1000	108.75	1087537	1000	108.75	
7.22 % Secured Non convertible IRFC bond Tax free	4999	1000100	499.95	—	—	—	
7.22 % Secured Redeemable REC bond Tax free	1500000	1000	150.00	—	—	—	
TOTAL			1004.10			376.85	
Aggregate of Quoted Investments			958.70			308.75	
Aggregate of Unquoted Investments			162.08			169.78	
Market Value of Quoted Investments			969.48			308.75	

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 12

LONG TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
ADVANCES		
For Capital		
— Secured considered good	—	—
— Unsecured considered good	339.96	251.68
— Doubtful	0.71	1.13
	340.67	252.81
Less : Provision for Bad and Doubtful Advances	0.71	1.13
	339.96	251.68
For Revenue		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Advances	—	—
	—	—
Security Deposits		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Deposits	—	—
	—	—
Deposit for P&T, Electricity etc.		
— Secured considered good	—	—
— Unsecured considered good	38.61	32.04
— Doubtful	—	—
	38.61	32.04
Less : Provision for Bad and Doubtful Deposits	—	—
	36.01	32.04
LOAN TO EMPLOYEES & OTHERS		
For House Building		
— Secured considered good	3.04	3.61
— Unsecured considered good	—	—
— Doubtful	—	—
	3.04	3.61

NOTES TO BALANCE SHEET (CONSOLIDATED)**AS AT 31ST MARCH, 2013****Note – 12 (Continued...)****LONG TERM LOANS & ADVANCES**

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
For Motor Car and Other Conveyance		
— Secured considered good	0.07	0.10
— Unsecured considered good	—	—
— Doubtful	—	—
	0.07	0.10
For Others		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Advances	—	—
	—	—
	3.11	3.71
Loan to Subsidiaries		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
TOTAL	381.68	287.43

Note

	Closing Balance		Maximum Amount Due at Any Time	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (With name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 13

OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Long Term Trade Receivable		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Trade Receivables	—	—
	—	—
Exploratory Drilling Work		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for Bad and Doubtful Drilling Work	—	—
	—	—
Other Receivables		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	0.16	0.16
	0.16	0.16
Less : Provision for Bad and Doubtful Receivables	0.16	0.16
	—	—
TOTAL	—	—

Note

	Closing Balance		Maximum Amount Due at	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management (with name of the Companies)	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 14

CURRENT INVESTMENTS — QUOTED/UNQUOTED AT COST

(₹ in Crore)

	Number of shares/bonds/ securities Current Year	Face Value per share/bond/ security Current Year (₹)	As at 31.03.2013 (₹ in crore)	Number of shares/bonds/ securities Previous Year 31.03.2012	Face Value per share/bond/ security Previous Year (₹)	As at 31.03.2012 (₹ in crore)
NON – TRADE (QUOTED)						
Investment in Mutual Fund						
Canara Robeco Liquid Fund	89507.708	1005.50	9.00	—	—	—
SBI Premier Liquid Fund	89708.448	1003.25	9.00	—	—	—
UTI Money Market Fund	89696.342	1003.39	9.00	—	—	—
LIC NOMURA MF Liquid Fund	8196721.311	10.98	9.00	—	—	—
TRADE (UNQUOTED)						
8.5% Tax Free Special Bonds (Fully Paid up)						
(on securitisation of Sundry Debtors)						
	—	—	—	—	—	—
Maharashtra State Electricity Board	113860	1000.00	11.39	113860	1000.00	11.39
West Bengal State Electricity Board	113160	1000.00	11.32	113160	1000.00	11.32
Total			58.71			22.71
Aggregate of Quoted Investments	—	—	36.00	—	—	—
Aggregate of Unquoted Investments	—	—	22.71	—	—	22.71
Market Value of Quoted Investments	—	—	41.45	—	—	—

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 15

INVENTORIES

(Valuation as per Significant Accounting Policy No. 6)

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Stock of Coal	414.44	518.67
Coal Stock under Development	45.94	20.59
Less : Provision for deterioration	—	8.67
A. Stock of Coal (Net)	460.38	530.59
Stock of Stores & Spare Parts (at cost)	105.94	117.45
Stores-in-transit	1.76	3.90
Less : Provision for slow moving/obsolescence etc.	14.27	13.46
Loss of Assets	0.23	0.23
Less : Provision for Loss of Assets	0.23	0.23
B. Net Stock of Stores & Spare Parts (at cost)	93.43	107.89
Workshop Jobs		
Work-in-Progress and Finished Goods	7.37	—
Less : Provision for workshop jobs	—	—
C. Net Stock of Workshop Jobs	7.37	—
D. Press		
Work-in-Progress and Finished Goods	—	—
E. Stock of Medicines at Central Hospital	0.65	0.52
F. Prospecting & Boring/Development Exp./ Coal Blocks meant for sale	9.70	9.70
Total (A to F)	571.53	648.70

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

ANNEXURE TO NOTE – 15

(Qty. in lakh tonnes)(Value in ₹ Lakh)

Reconcilliation of Closing Stock adopted in Account with Book Stock as at the end of the year

Table – A

	OVERALL STOCK		NON-VENDABLE STOCK		VENDABLE STOCK	
	Qty.	Value	Qty.	Value	Qty.	Value
1. (A) Opening Stock as on 01.04.12	221.23	53926.25	—	—	221.23	53926.25
(B) Adjustment in Opening Stock	—	—	—	—	—	—
2. Production for the year	1078.94	994492.56	—	—	1078.94	994492.56
3. Sub-Total (1+2)	1300.17	1048418.81	—	—	1300.17	1048418.81
4. Off-Take for the year :						
(a) Outside Despatch	1119.59	1002248.86	—	—	1119.59	1002248.86
(b) Coal feed to Washeries	—	—	—	—	—	—
(c) Own Consumption	0.05	132.06	—	—	0.05	132.06
TOTAL (A)	1119.64	1002380.92	—	—	1119.641	1002380.92
5. Derived Stock	180.53	46037.89	—	—	180.53	46037.89
6. Measured Stock	177.37	45232.04	—	—	177.37	45232.04
7. Difference (5-6)	3.16	805.85	—	—	3.16	805.85
8. Break-up of Difference						
(a) Excess within 5%	—	—	—	—	—	—
(b) Shortage within 5%	3.16	805.85	—	—	3.16	805.85
(c) Excess beyond 5%	—	—	—	—	—	—
(d) Shortage beyond 5%	—	—	—	—	—	—
9. Closing Stock adopted in A/c (6 – 8A + 8B)	180.53	46037.89	—	—	180.53	46037.89

Summary of Closing Stock of Coal Table – B

	Raw Coal		Washed/Deshaled Coal				Other Products		Total		
			Coking		Non-Coking						
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
Opening Stock (Audited)	—	—	221.23	53926.25	—	—	—	—	—	221.23	53926.25
Less : Non-vendable Coal	—	—	—	—	—	—	—	—	—	—	—
Adjusted Opening Stock (Vendable)	—	—	—	—	—	—	—	—	—	—	—
Production	—	—	1078.94	994492.56	—	—	—	—	—	1078.94	994492.56
Offtake											
(a) Outside Despatch	—	—	1119.59	1002248.86	—	—	—	—	—	1119.59	1002248.86
(b) Coal feed to Washeries	—	—	—	—	—	—	—	—	—	—	—
(c) Own Consumption	—	—	0.05	132.06	—	—	—	—	—	0.05	132.06
Closing Stock	—	—	180.53	46037.89	—	—	—	—	—	180.53	46037.89
Less : Shortage	—	—	—	—	—	—	—	—	—	—	—
Closing Stock	—	—	180.53	46037.89	—	—	—	—	—	180.53	46037.89

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 16

TRADE RECEIVABLES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Debts outstanding for a period exceeding six months from the due date		
— Secured considered good	—	—
— Unsecured considered good	42.11	19.67
— Doubtful	21.02	28.60
	63.13	48.27
Less : Provision for bad and doubtful debts	21.02	28.60
	42.11	19.67
 Other Debts		
— Secured considered good	—	—
— Unsecured considered good	388.80	202.92
— Doubtful	—	—
	388.80	202.92
Less : Provision for bad and doubtful debts	—	—
	388.80	202.92
 TOTAL	430.91	222.59

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 17

CASH & BANK BALANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Cash & Cash Equivalents		
Balances with Scheduled Banks		
— SBI Dividend Account (unpaid/unclaimed dividend account)	—	—
— In Deposit Accounts with maturity upto 3 months	3985.30	3695.61
— In Current Accounts	261.62	279.00
— In Cash Credit Accounts	—	—
Balances with Non – Scheduled Banks	—	—
In account with Banks outside India	—	—
Remittance - in transit	—	0.04
Cheques, Drafts and Stamps on hand	—	—
Cash in hand	0.05	0.03
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity upto 3 months	—	—
Other Bank Balances		
Balances with Scheduled Banks		
— In Deposit Accounts with maturity more than 3 months	8898.17	8466.57
Deposit with Scheduled Banks under Shifting and Rehabilitation Fund Scheme with maturity more than 3 months	—	—
Deposit with Scheduled Banks under Mine Closure Plan Scheme	—	—
Total	13145.14	12441.25
Maximum amount outstanding with Banks other than Scheduled Banks at any time during the year	Nil	Nil
Additional Note :		
1. Balances with banks to the extent held as margin money or security against the borrowings/others	185.24	184.55
2. Bank deposits more than 3 months includes deposits held for the period exceeding 12 months	1.33	179.36

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 18 SHORT TERM LOANS & ADVANCES

	As at 31.03.2013	(₹ in Crore) As at 31.03.2012
ADVANCE (Recoverable in cash or in kind or for value to be received)		
ADVANCE TO SUPPLIERS & CONTRACTORS		
For Revenue		
— Secured considered good	—	—
— Unsecured considered good	156.15	33.83
— Doubtful	2.26	2.23
	158.41	36.06
Less : Provision for bad and doubtful advances	2.26	2.23
	156.15	33.83
ADVANCE PAYMENT OF STATUTORY DUES		
Sales Tax		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful advances	—	—
	—	—
Advance Income Tax/Tax Deducted at Source	2925.92	2576.28
Less : Provision for Income Tax	1987.64	1854.40
	938.28	721.88
Others		
— Secured considered good	—	—
— Unsecured considered good	42.98	28.81
— Doubtful	—	—
	42.98	28.81
Less : Provision for bad and doubtful advances	—	—
	42.98	28.81
TOTAL	981.26	750.69
ADVANCE TO EMPLOYEES		
— Secured considered good	—	—
— Unsecured considered good	73.61	50.15
— Doubtful	—	—
	73.61	50.15
Less : Provision for bad and doubtful advances	—	—
	73.61	50.15

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 18 (Continued...)

SHORT TERM LOANS & ADVANCES

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Deposits with CIL	1757.00	1603.46
Current Account with CIL & other Subsidiaries of CIL and MCL's Subsidiaries	129.04	129.98
LOAN ACCOUNT WITH SUBSIDIARIES		
— Secured considered good	—	—
— Unsecured considered good	—	—
— Doubtful	—	—
	—	—
Less : Provision for bad and doubtful advances	—	—
	—	—
Claims Receivables		
— Secured considered good	—	—
— Unsecured considered good	0.51	0.06
— Doubtful	—	—
	0.51	0.06
Less : Provision for doubtful claims	—	—
	0.51	0.06
Prepaid Expenses	17.59	3.56
	1977.75	1787.21
TOTAL	3115.16	2571.73

Note :

1.

	Closing Balance		Maximum Amount Due at Any Time During	
	Current Year	Previous Year	Current Year	Previous Year
Due by the Companies under the same management	Nil	Nil	Nil	Nil
Due by the parties in which the Director(s) of Company is/are interested	Nil	Nil	Nil	Nil

2. Deposit with CIL includes ₹ 350.29 crore (previous year ₹ 350.29 crore) which is non-interest bearing.

NOTES TO BALANCE SHEET (CONSOLIDATED) AS AT 31ST MARCH, 2013

Note – 19

OTHER CURRENT ASSETS

(₹ in Crore)

	As at 31.03.2013	As at 31.03.2012
Interest Accrued on		
— Investments	34.18	11.24
— Deposit with Banks	647.93	445.19
— Others	1.57	1.24
Ex Owner's Account	—	—
Other Advances	—	—
Less : Provision for bad and doubtful advances	—	—
	—	—
DEPOSITS		
Deposit for Customs Duty, Port Charges etc.	—	—
Deposit for Royalty, Cess & Sales Tax	146.64	32.81
Less : Provision for bad and doubtful deposits	—	—
	146.64	32.81
Others	—	—
Less : Provision for bad and doubtful for Others	—	—
	—	—
Amount Receivable from Govt. of India for transactions on behalf of Ex-Coal Board	—	—
Other Receivables	1.09	35.61
Less : Provision for bad and doubtful receivables	—	—
	1.09	35.61
TOTAL	831.41	526.09

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 20

REVENUE FROM OPERATIONS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
GROSS SALES	13190.42	12068.60
Less : Excise Duty	649.73	513.98
Less : Other Levies		
Royalty	1267.85	1032.32
Cess on Coal	—	—
Stowing Excise Duty	111.96	102.41
Central Sales Tax	99.42	95.03
Clean Energy Cess	559.80	512.61
State Sales Tax/VAT	410.67	301.60
Orissa Entry Tax	68.50	63.14
TOTAL LEVIES	3167.93	2621.09
Revenue from Operations (NET SALES)	10022.49	9447.51

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 21

OTHER INCOME

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Income from Long Term Investments		
Dividend from Joint Ventures	—	—
Interest from :		
— Government Securities (8.5% Tax Free Special Bonds)(Trade)	7.24	9.16
— Non convertible IRFC/REC Tax Free Bonds 2021series (Non-trade)	38.15	6.90
Income from Current Investments		
Dividend from Mutual Fund Investments	23.63	2.26
Interest from :		
— Government Securities (8.5% Tax Free Special Bonds)(Trade)	—	—
— 7.55% Non convertible IRFC Tax Free Bonds 2021 series (Non-trade)	—	—
Income from Others		
Interest :		
— From Deposits with Banks	1319.45	1051.77
— From Loans and Advances to Employees	0.09	0.17
— From Income Tax Refunds	—	34.93
— From CIL on Parking of Fund	143.37	144.34
— Others	1.86	1.24
Apex Charges	—	—
Subsidy for Sand Stowing & Protective Works	0.55	0.29
Profit on Sale of Assets	0.74	2.57
Recovery of Transportation & Loading Cost	495.52	413.65
Gain on Foreign Exchange Transactions	0.09	—
Exchange Rate Variance	—	—
Lease Rent	4.60	4.21
Liability Write Backs	0.65	—
Guarantee Fees from Subsidiaries	—	—
Other Non Operating Income	34.78	52.01
Total	2070.72	1723.50

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 22

COST OF MATERIALS CONSUMED

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Explosives	118.32	112.43
Timber	0.54	0.33
POL	252.30	232.82
HEMM Spares	107.56	90.33
Others Consumable Spares & Stores	77.03	66.76
	555.75	502.67
Total	555.75	502.67

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 23

**CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK IN PROGRESS AND STOCK IN TRADE**

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Closing Stock of Coal	414.44	518.67
Less : Deterioration of Coal	—	6.61
Total (1)	414.44	512.06
Opening Stock of Coal	518.67	476.10
Less : Deterioration of Coal	6.61	3.46
Total (2)	512.06	472.64
(A) Change in Inventory of Closing Stock (2-1)	97.62	(39.42)
Closing Stock of Workshop made finished goods and WIP	7.37	
Less : Provision	—	—
Total	7.37	—
Opening Stock of Workshop made finished goods and WIP	—	
Less : Provision	—	—
Total	—	—
(B) Change in Inventory of Closing Stock of workshop	(7.37)	—
Press Closing job		
i. Finished Goods	—	—
ii. Work in Progress	—	—
Less : Press Opening Job		
i. Finished Goods	—	—
ii. Work in Progress	—	—
(C) Change in Inventory of Closing Stock of Press Jobs made finished goods and WIP	—	—
Closing Stock of Medicines (Central Hospital)	—	0.52
Less Opening Stock of Medicines (Central Hospital)	—	0.21
(D) Change in Inventory of Stock of Medicines at Central Hospital	—	(0.31)
Total Change in Inventory of Stock (A+B+C+D)	90.25	(39.73)

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 24

EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Salary, Wages, Allowances, Bonus & Benefits	1204.59	1062.21
Ex-Gratia	62.35	48.53
PRP	46.15	22.05
Contribution to P.F. & Other Funds	161.42	120.70
Gratuity	22.63	165.09
Leave Encashment	43.72	65.88
VRS	1.93	0.99
Workmen Compensation	0.58	1.42
Post retirement medical benefit for existing employees	35.24	—
Medical Expenses	30.84	20.09
Grants to School & Institutions	18.68	16.74
Sports & Recreation	0.79	0.75
Canteen & Creche	0.68	0.61
Power - Township	54.07	50.70
Hire Charges of Bus, Ambulance etc.	2.61	1.60
Other Employee Benefits	25.39	25.34
Total	1711.67	1602.70

Note – 25

WELFARE EXPENSES

(₹ in Crores)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Medical Expenses for Retired Employees	2.22	2.21
CSR Expenses	25.56	28.34
Sustainable Development Expenses	0.27	—
Environmental Expenses	13.94	3.56
Tree Plantation	0.78	0.65
Other Expenses	6.57	7.01
Total	49.34	41.77

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 26

REPAIRS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Building	52.38	36.06
Plant & Machinery	30.31	17.38
Others	3.52	3.75
Total	86.21	57.19

Note – 27

CONTRACTUAL EXPENSES

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Transportation Charges :		
— Sand	0.32	0.61
— Coal & Coke	747.81	569.37
— Stores & Other etc.	0.01	—
Wagon Loading	53.45	49.76
Hiring of Plant & Machinery	387.91	283.46
Other Contractual Work	63.70	45.58
Total	1253.20	948.78

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 28

FINANCE COSTS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Interest Expense		
Deferred Payments	0.09	0.08
Bank Overdraft/Cash Credit	—	—
Interest on IBRD & JBIC Loan	1.96	1.95
CIL Fund Loan Interest	—	—
Interest to Subsidiaries	—	—
Others	1.26	1.16
	3.31	3.19
Total (A)	3.31	3.19
Other Borrowing Costs		
Guarantee Fees on (IBRD & JBIC) Loan	1.65	2.18
Other Expenses/Bank Charges	0.01	0.01
	1.66	2.19
Total (B)	1.66	2.19
	4.97	5.38
TOTAL (A+B)	4.97	5.38

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 29

PROVISIONS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(A) Provision Made For		
Doubtful debts	—	7.23
Doubtful Advances & Claims	—	—
Foreign Exchange Transaction	—	—
Stores & Spares	0.81	0.14
Reclamation of Land/Mine Closure Expenses	64.74	108.21
Surveyed off Fixed Assets/Capital WIP	1.56	3.13
Others	—	—
Total (A)	67.11	118.71
(B) Provision Written Back		
Doubtful debts	7.58	—
Doubtful Advances & Claims	0.39	0.01
Foreign Exchange Transaction	—	—
Stores & Spares	—	—
Reclamation of Land/Mine Closure Expenses	—	—
Surveyed off Fixed Assets/Capital WIP	—	—
Others/Loss of assets	0.02	0.53
Total (B)	7.99	0.54
Total (A-B)	59.12	118.17

Note – 30

WRITE OFF

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Doubtful debts	—	—
Doubtful advances	—	—
Others	—	—
Total	—	—

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

**Note – 31
OTHER EXPENSES**

	For the Year ended 31.03.2013	(₹ in Crore) For the Year ended 31.03.2012
Travelling Expenses		
— Domestic	14.07	12.73
— Foreign	0.06	0.06
Training Expenses	8.27	6.71
Telephone & Postage	2.67	2.23
Advertisement & Publicity	4.26	3.68
Freight Charges	0.10	0.21
Demurrage	5.54	4.77
Donation/Subscription	0.09	0.32
Security Expenses	40.23	36.34
Service Charges of CIL	53.95	51.56
Hire Charges	23.72	17.72
CMPDI Expenses	26.56	19.13
Legal Expenses	1.07	0.73
Bank Charges	0.02	0.02
Guest House Expenses	2.05	1.40
Consultancy Charges	0.49	0.77
Under Loading Charges	10.99	3.00
Loss on Sale/Discard/Surveyed of Assets	0.06	—
Auditor's Remuneration & Expenses		
— For Audit Fees	0.17	0.15
— For Taxation Matters	—	—
— For Company Law Matters	—	—
— For Management Services	—	—
— For Others Services	0.04	0.08
— For Reimbursement of Expenses	0.13	0.09
Internal Audit Fees and Expenses	1.84	1.24
Rehabilitation Charges	67.18	61.51
Royalty & Cess	0.19	0.17
Central Excise Duty	(11.20)	5.71
Rent	0.15	0.13
Rates & Taxes	13.61	7.04
Insurance	0.40	0.30
Loss on Exchange Rate Variance	—	10.77
Lease Rent	—	—
Rescue/Safety Expenses	2.37	1.68
Dead Rent/Surface Rent	1.58	0.12
Siding Maintenance Charges	4.15	3.05
Land/Crops Compensation	0.04	0.03
Wealth Tax	0.11	0.16
Miscellaneous Expenses	20.38	38.56
Total	295.34	292.17

**NOTES TO PROFIT & LOSS STATEMENT (CONSOLIDATED)
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Note – 32

PRIOR PERIOD ADJUSTMENTS

(₹ in Crore)

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(A) Expenditure		
Sale of Coal	3.54	—
Stock of Coal	—	—
Other Income	—	—
Consumption of Stores & Spares	—	—
Employees Remuneration & Benefits	—	—
Power & Fuel	—	—
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	—
Other Expenditure	1.21	0.32
Interest and other financial charges	—	—
Depreciation	0.04	—
Total (A)	4.79	0.32
(B) Income		
Sale of Coal	—	7.56
Stock of Coal	—	—
Other Income	12.19	1.61
Consumption of Stores & Spares	—	0.11
Employees Remuneration & Benefits	—	0.07
Power & Fuel	—	—
Welfare Expenses	—	—
Repairs	—	—
Contractual Expenses	—	0.92
Other Expenditure	—	0.48
Interest and other financial charges	—	—
Depreciation	—	2.73
Total (B)	12.19	13.48
Total (A-B)	(7.40)	(13.16)

NOTE – 33**SIGNIFICANT ACCOUNTING POLICIES****1.0 ACCOUNTING CONVENTION :**

Financial statements are prepared under the historical cost convention and on accrual basis of accounting and going concern concept, in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under , except otherwise stated.

2.0 SUBSIDIES / GRANTS FROM GOVERNMENT :

2.1 Subsidies / Grants on capital account are deducted from the cost of respective assets to which they relate. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

2.2 Subsidies / Grants on revenue account are credited to Statement of Profit & Loss under the head- Other Income and the relevant expenses are debited to the respective heads. The unspent amount at the Balance Sheet date, if any, is shown as current liabilities.

3.0 FIXED ASSETS :**3.1 Land:**

Value of land includes cost of acquisition and cash rehabilitation expenses and resettlement cost incurred for concerned displaced persons. Other expenditure incurred on acquisition of land viz. compensation in lieu of employment etc. are, however, treated as revenue expenditure.

3.2 Plant & Machinery:

Plant & Machinery includes cost and expenses incurred for erection / installation and other attributable costs of bringing those assets to working conditions for their intended use.

3.3 Railway Siding:

Pending commissioning, payments made to the railway authorities for construction of railway sidings are shown in Note 12 - "Long Term Loans & Advances" under Advances for Capital.

3.4 Development:

Expenses net of income of the projects / mines under development are booked to Development Account and grouped under Capital Work-in-Progress till the projects / mines are brought to revenue account. Except otherwise specifically stated in the project report to determine the commercial readiness of the project to yield production on a sustainable basis and completion of required development activity during the period of constructions, projects and mines under development are brought to revenue considering the following criteria:

- (a) From beginning of the financial year immediately after the year in which the project achieves physical output of 25% of rated capacity as per approved project report, or
 - (b) 2 years of touching of coal, or
 - (c) From the beginning of the financial year in which the value of production is more than total expenses,
- Whichever event occurs first.

4.0 PROSPECTING & BORING AND OTHER DEVELOPMENT EXPENDITURE:

The cost of exploration and other development expenditure incurred in one "Five year" plan period will be kept in Capital work-in-progress till the end of subsequent two "Five year" plan periods for formulation of projects, before it is written-off, except in the case of Blocks identified for sale or proposed to be sold to outside agency which will be kept in inventory till finalisation of sale.

5.0 INVESTMENTS :

Current investments are valued at the lower of cost and fair value as at the Balance Sheet date. Investments in mutual fund are considered as current investments.

Non-Current investments are valued at cost.

6.0 INVENTORIES:

6.1 Book stock of coal / coke is considered in the accounts where the variance between book stock and measured stock is upto +/- 5% and in cases where the variance is beyond +/- 5% the measured stock is considered. Such stock are valued at net realisable value or cost whichever is lower.

6.1.1 Coal & coke fines are valued at lower of cost or net realisable value.

6.1.2 Slurry (coking / semi coking), middling of washeries and by products are valued at net realisable value.

6.2 Stores & Spares:

6.2.1 The closing stock of stores and spare parts has been considered in the accounts as per balances appearing in priced stores ledger of the Central Stores and as per physically verified stores lying at the collieries/units.

6.2.2 Stock of stores & spare parts at central & area stores are valued at cost calculated on the basis of weighted average method. The year-end inventory of stores & spare parts lying at collieries/ sub-stores / drilling camps/ consuming centres, initially charged off, are valued at issue price of Area Stores, Cost / estimated cost. Workshop jobs including work-in-progress are valued at cost.

6.2.3 Stores & spare parts include loose tools.

6.2.4 Provisions are made at the rate of 100% for unserviceable, damaged and obsolete stores and at the rate of 50% for stores & spares not moved for 5 years.

6.3 Stock of stationery (other than lying at printing press), bricks, sand, medicine (except at Central Hospitals), aircraft spares and scraps are not considered in inventory.

7.0 DEPRECIATION

7.1. Depreciation on fixed assets is provided on straight line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956 (as amended) except for telecommunication equipment and photocopying machine, which are charged at higher rates on the basis of their technically estimated life, as follows :-

Telecommunication equipment : - 15.83% p.a. and 10.55% p.a.

Photocopying machine : - 10.55% p.a.

Depreciation on Earth Science Museum and high volume samplers and respiratory dust are charged @5.15% and 33.33% respectively on the basis of their technically estimated life.

Further, depreciation on certain equipments /HEMM is charged over the technically estimated life at higher rates viz. 11.88%; 13.57% and 15.83% as applicable.

Depreciation on SDL and LHD (equipments) are charged @19% p.a. and @15.83% p.a. respectively on the basis of technical estimation.

Depreciation on the assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition / disposal, except on those assets attracting 100% depreciation p.a. (SLM basis), which are fully depreciated in the year of their addition. Assets attracting 100% depreciation are taken out from the Assets after expiry of two years following the year in which these are fully depreciated.

- 7.2 Value of land acquired under Coal Bearing Area (Acquisition & Development) Act, 1957 is amortised on the basis of the balance life of the project. Value of leasehold land is amortised on the basis of lease period or balance life of the project whichever is earlier.
- 7.3 Prospecting, Boring and Development expenditure are amortised from the year when the mine is brought under revenue in 20 years or working life of the project whichever is less.

8.0 IMPAIRMENT OF ASSETS

Impairment loss is recognised wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

9.0 FOREIGN CURRENCY TRANSACTIONS

- 9.1 Balance of foreign currency transactions is translated at the rates prevailing on the Balance Sheet date and the corresponding effect is given in the respective accounts. Transactions completed during the period are adjusted on actual basis.
- 9.2 Transactions covered by cross currency swap options contracts to be settled on future dates are recognised at the rates prevailing on the Balance Sheet date, of the underlying foreign currency. Effects arising out of such contracts are taken into accounts on the date of settlement.

10.0 RETIREMENT BENEFITS / OTHER EMPLOYEE BENEFITS:

- a) Defined contributions plans:

The company has defined contribution plans for payment of Provident Fund and Pension Fund benefits to its employees. Such Provident Fund and Pension Fund are maintained and operated by the Coal Mines Provident Fund (CMPF) Authorities. As per the rules of these schemes, the company is required to contribute a specified percentage of pay roll cost to the CMPF Authorities to fund the benefits.

- b) Defined benefits plans:

The liability on the Balance Sheet date on account of gratuity and leave encashment is provided for on actuarial valuation basis by applying projected unit credit method. Further the company

has created a Trust with respect to establishment of Funded Group Gratuity (cash accumulation) Scheme through Life Insurance Corporation of India. Contribution is made to the said fund based on the actuarial valuation.

c) Other employee benefits:

Further liability on the Balance Sheet date of certain other employee benefits viz. benefits on account of LTA/ LTC; Life Cover Scheme, Group Personal Accident Insurance Scheme, Settlement Allowance, Retired Executive Medical Benefit Scheme and compensation to dependants of deceased in mines accidents etc. are also valued on actuarial basis by applying projected unit credit method.

11.0 RECOGNITION OF INCOME AND EXPENDITURE:

Income and Expenditure are generally recognised on accrual basis and provision is made for all known liabilities.

11.1 SALES

- a) Revenue in respect of sales is recognised when the property in the goods with the risks and rewards of ownership are transferred to the buyer.
- b) Sale of coal are net of statutory dues and accepted deduction made by customer on account of quality of coal.
- c) The revenue recognition is done where there is reasonable certainty of collection. On the other hand, revenue recognition is postponed in case of uncertainty as assessed by management.

11.2 DIVIDEND

Dividend income is recognised when right to receive is established.

12.0 BORROWING COSTS :

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred.

13.0 TAXATION:

Provision of current income tax is made in accordance with the Income Tax Act., 1961. Deferred tax liabilities and assets are recognised at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

14.0 PROVISION:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

15.0 CONTINGENT LIABILITY :

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations can not be made.

Contingent liabilities are not provided for in the accounts and are disclosed by way of Notes.

16.0 OVERBURDEN REMOVAL (OBR) EXPENSES

In open cast mines with rated capacity of one million tonnes per annum and above, cost of OBR is charged on technically evaluated average ratio (COAL:OB) at each mine with due adjustment for advance stripping and ratio-variance account after the mines are brought to revenue. Net of balances of advance stripping and ratio variance at the Balance Sheet date is shown as cost of removal of OB under the head Non - Current Assets/ Long Term Provisions as the case may be.

The reported quantity of overburden as per record is considered in calculating the ratio for OBR accounting where the variance between reported quantity and measured quantity is within the lower of the two alternative permissible limits, as detailed hereunder:-

Annual Quantum of OBR of the mine	Permissible Limits of Variance	
	I	II
	%	Quantum (in M.Cu.M.)
Less than 1 M.Cu.M.	+/- 5%	0.03
Between 1 and 5 M.Cu.M.	+/- 3%	0.20
More than 5 M.Cu.M.	+/- 2%	Nil

However, where the variance is beyond the permissible limits as above, the measured quantity is considered.

17.0 PRIOR PERIOD ADJUSTMENT

Income / expenditures relating to prior period and prepaid expenses, which do not exceed ₹ 0.10 Crore in each case, are treated as income / expenditure of current year.

NOTE – 34**ADDITIONAL NOTES ON ACCOUNTS****1.0 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- a) The financial statements of MCL & its subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent group.
- b) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of MCL & its subsidiaries have been prepared in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of India and on the basis of accounting principles generally accepted in India.

2.0 PRINCIPLES OF CONSOLIDATION

- 2.1 The consolidated financial statements relate to Mahanadi Coalfields Limited and its subsidiaries- M/S MNH Shakti Limited, M/S MJSJ Coal Limited and Mahanadi Basin Power Limited. The financial statements of the MCL and its subsidiary companies are combined line by line basis adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating the intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 - 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
- 2.2 Significant accounting policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising the purpose, the group has disclosed only such policies and note from individual financial statements, which fairly present the needed disclosure Mahanadi Coalfields upon taking over of assets and liabilities of South Eastern Coalfields Limited in respect of mines in the State of Orissa.

3.0 LONG TERM BORROWINGS (Note – 3 and Note – 8)

- 3.1 Unsecured loan was availed by Coal India Limited, guaranteed by Government of India, from World Bank to finance Coal Sector Rehabilitation Project (CSRP) based on back to back agreement between the MCL and Coal India Limited. The loan outstanding as on 31.03.2013 (net after repayments) is ₹ 109.88 crore (as at 31.03.2012 ₹ 131.93 crore). The details of balance are as under :

Bank	Balance 01.04.2012	Repayment during the year	Balance 31.03.2013	Balance 01.04.2012	Repayment during the year	Translation Difference	Balance 31.03.2013
	US \$	US \$	US \$	₹ in crore	₹ in crore	₹ in crore	₹ in crore
IBRD	11920249.95	1702481.00	10217768.95	61.43	9.20	3.77	56.00
	JP Yen ¥	JP Yen ¥	JP Yen ¥				
JBIC	1115852776	194204955	921647821	70.50	12.41	-4.21	53.88
Total				131.93	21.61	-0.44	109.88

This includes amount repayable during the year 2013-14 - IBRD ₹ 9.90 crore (Previous year ₹ 8.77 crore)and JBIC ₹ 11.58 crore (Previous year ₹ 12.27 crore)

- 3.2 Loans had been arranged through credit agreement with Banque Nationale De Paris and Natexis Banque for the purchase of 4 nos Hydrolic shovels from Leibherr, France. The loan outstanding as on 31.03.2013 (net after repayments) is ₹ 8.72 crore (As at 31.03.2012 ₹ 9.03 crore). The details of balance are as under :

Bank	Balance	Repayment	Balance	Balance	Repayment	Translation	Balance
	01.04.2012	during the year	31.03.2013	01.04.2012	during the year	Difference	31.03.2013
	Euro	Euro	Euro	₹ in crore	₹ in crore	₹ in crore	₹ in crore
Leibherr	1327305.86	74113.58	1253192.28	9.03	0.53	0.22	8.72
Total	1327305.86	74113.58	1253192.28	9.03	0.53	0.22	8.72

This includes amount repayable in the year 2013-14 ₹ 0.52 crore (previous year ₹ 0.50 crore.)

4.0 FIXED ASSETS - NOTE -10

- 4.1 The Company took over various Assets and Liabilities from Coal Mines Labour Welfare Organisation and Coal Mines Rescue Organisation for which no quantitative details are available. Adjustments, if any, will be made on finalisation of quantity and value thereof.
- 4.2 Lease hold land includes land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 and Land Acquisition Act, 1894, Orissa Government Land Settlement Act 1962. Lease hold land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 has been capitalized on the basis of notification transferring the ownership of land to the extent for which sanction / approval has been received. Land acquired under Land Acquisition Act, 1894, Orissa Government Land Settlement Act, 1962 has been capitalized on the basis of possession certified by State Authorities.
- 4.3 Conveyance deed of land in favour of the Group is pending for execution in most of the cases.
- 4.4 The carrying cost of the Fixed Assets acquired against World Bank aided projects and Deferred Credit has decreased to the extent of ₹ 0.13 crore (for previous year ended on 31.03.2012, increased by ₹ 8.30 crore) on account of exchange rate fluctuation in line with the accounting policy para 9.1 of Note-33.
- 4.5 During the year ended on 31st March , 2013, the fixed assets have been physically verified by the Group and necessary adjustments pertaining to physical verification has been made in accounts.
- 4.6 In case of items of Plant & Machinery, which are kept in plant pending installation and at store for more than three years., provision equivalent to depreciation is made from the 4th year followed by action for formal write-off where necessary. If any such item of plant & machinery is put to use afterwards i.e., after provisions have already been made, depreciation charged in first year of use is depreciation for the year plus provision already made against the item with due accounting adjustments between depreciation & such provision. During the year ended on 31st March, 2013, an amount of ₹ 0.89 crore has been provided on this account and the cumulative provision stood at ₹ 10.67 crore.(Note-10B)

5.0 NON-CURRENT/CURRENT INVESTMENT (Note 11 & Note 14)

- 5.1 As per tripartite agreements with State Electricity Boards (SEB), in the year 2003-04 the Group had received 8.5% Tax Free Power Bonds (unquoted long term investment) of nominal value ₹ 344.32 crore against old outstanding dues as on 30th September, 2001 from three SEBs (MSEB, TNEB and WBPDCCL).

The details of the unredeemed bonds are as under: (₹ in crore)

Particulars of Bonds	Opening Balance as at 01.04.2012	Redeemed during the year	Closing Balance as at 31.03.2013
MSEB	45.55	11.39	34.16
WBPDCCL	45.26	11.31	33.95
TOTAL	90.81	22.70	68.11

All bonds are backed by respective State Governments' guarantees.

Bonds having value of ₹ 22.71 crore which are due for redemption in the year 2013-14 have been shown under current investment (Note -14) and balance amount of ₹ 45.40 crore has been shown under non-current investment (Note-11).

- 5.2 Interest from Power Bonds amounting to ₹ 7.24 crore (for previous year ending on 31.03.2012 ₹ 9.16 crore) has been earned during the year ended on 31st March, 2013.(Note -21)
- 5.3 The Reserve Bank of India allowed partial trading of 8.5% Tax Free Power Bonds of State Electricity Boards (SEB).

6.0 INVENTORIES (Note – 15)**6.1 Stores and Spares**

- 6.1.1 During the year, the shortage / excess reported in respect of physical verification of stores/ spares have been adjusted in accounts. The cumulative provision as at 31.03.2013 stands at ₹ 0.86 crore (as at 31.03.2012 ₹ 0.87 crore).
- 6.1.2 Pending reconciliation of stores ledger with price ledger, the impact of shortage / excess if any, on the accounts for the year remain unadjusted in some areas.
- 6.1.3 In respect of stores and spares obsolete / unserviceable items and items which have not moved for more than five years, a provision of 100 % & 50% respectively are made as per Accounting Policy Para.6.2.4 of Note-33). The cumulative provision as at 31.03.2013 stands at ₹ 13.41 crore (as at 31.03.2012 ₹ 12.59 crore).
- 6.1.4 Valuation of stores and spares has been done on weighted average method as per accounting policy of the Group (as mentioned in Para 6.2.2 of Note-33). The comparison of cost so arrived, with net realizable value is neither made nor adjusted in the account due to difficulty in ascertainment of net realizable value.
- 6.1.5 The Group is yet to carry out exercise for identification of unserviceable / obsolete stores and spares in some of the areas.

6.2 Coal Stock (Note – 15)

6.2.1 Internal survey measurement teams have physically verified closing stock of coal. In some areas the same has also been verified by outside teams. The Shortage / surplus found on physical verification of coal stock within +/- 5% over book stock (mine/ colliery wise), is ignored pursuant to Accounting Policy (refer Para 6.1 of Note -33).

7.0 CASH AND CASH EQUIVALENTS (Note – 17)

Cash and Bank Balance includes :

- 7.1 Fixed Deposit amounting to ₹66.74 crore and ₹111.31 crore have been placed under lien of State Bank India for issuing letter of comfort for issuance of Bank Guarantee in favour of President of India to fulfill the terms of allocation of blocks on behalf of subsidiary companies i.e. M/S MJSJ Coal Ltd and M/S MNH Shakti Ltd respectively.
- 7.2 ₹1.33 crore including accrued interest of ₹0.74 crore being special term deposit made out of money recovered through the Hon'ble District Court Sundargarh against defalcation of cash by an officer, which is under lien to the Court pending finalization of the case.
- 7.3 Fixed deposit includes ₹5.67 crore made against price difference recovered against explosive rate contracts in the year 2005-06, as per court order.
- 7.4 Fixed deposit includes ₹0.19 crore made against interim order of Hon'ble High Court for encashment of BG of M/s IRC Logistics Ltd.
- 7.5 The balance of current accounts includes current linked termed deposits which are temporarily transferred from current account.

8.0 LOANS AND ADVANCES CURRENT/NON CURENT OTHER ASSETS

- 8.1 Confirmations of balances of loans and advances have not been obtained in all the cases.
- 8.2 Deposit made with State Government amounting to ₹86.39 crore (previous year ₹93.85 crore) for acquiring of land under LAAct 1894 is included in "Advances for Capital" in Note-12 which will be capitalized on possession given to the Group by State Authority.

9.0 OTHER LONG TERM LIABILITIES (Note – 4)

- 9.1 Cess on Coal includes principal of ₹8.40 crore (net of payments) and interest of ₹9.47 crore (net of payments) against receipts from Government of Orissa in the year 2005-06 as per directive of Hon'ble Supreme Court judgement dated 31.7.2001. The money is refundable to the customers. During the current year, the Group has provided interest of ₹1.01 crore (previous year ₹1.01 crore) calculated at the rate of 12% for the unpaid principal amount of the Cess liability. The total liability thus included therein becomes ₹25.47 crore (as at 31.03.2012 ₹24.46 crore) as at 31.03.2013. The Group has not identified the customers / parties to whom the refund is to be made. Finalisation of modalities for refunding the same to the customers / parties is yet to be done.

10.0 PROFIT AND LOSS STATEMENT

10.1 Provision of ₹0.89 crore during the year ended on 31.03.2013 (for previous year ended on 31.03.2012 ₹0.90 crore) against P&M in stores/ under erection / installation has been taken at the depreciation rate on P&M items from the 4th year of purchase/acquisition as the case may be.

10.2 The details of Over Burden Removal Adjustment are given below:

	Current Year	Previous Year
Expenditure to be Charged to Coal	3228.23	3378.59
Less : Expenditure incurred	1792.58	1611.44
	1435.65	1767.15

10.3 Effects of changes in accounting policies.

- i) Due to change in the rate of depreciation of photocopier, the profit for the year has been increased by ₹0.02 crore.
- ii) Due to discontinuation of earlier policy of making a further provision of 10% for deterioration of stock due to fire where the stock is valued at Net Realizable Value, the profit for the year has been increased by ₹5.06 crore.
- .iii) Prepaid expenses upto ₹0.10 crore in each case are now treated as revenue . Due to this change, the profit for the year has been decreased by ₹0.47 crore.
- iv) Due to introduction of old system of valuation of work shop jobs - finished & WIP at central workshops, the profit for the year has been increased by ₹7.37 crore.

11.0 CONTINGENT LIABILITIES

11.1 The details of contingent liability are given below: :

Particulars	As at 31.03.2013 (₹ in crore)	As at 31.03.2012 (₹ in crore)
Suits against the Group	158.18	174.83
Other Claims	1484.26	83.61
Central Excise Duty	142.24	—
Income Tax	729.49	159.37
Sales Tax	47.56	41.05
Road Tax	36.14	22.47
Letter of Comfort/Credit	271.74	272.78
TOTAL	2869.61	754.11

- 11.2 Some claims are pending in Court for enhancement of compensation for land acquired from private parties and others in respect of which the amount is not ascertained.
- 11.3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) in relation to execution of works and purchase of machinery & equipment is ₹ 496.16 crore (as at 31.03.2012, ₹ 274.14 crore).
- 11.4 Estimated amount of contracts remaining to be executed on revenue account/ other commitments and not provided for is ₹ 4255.70 crore (as at 31.03.2012, ₹ 4223.71 crore)
- 11.5 Liability in some cases of land acquired under Coal Bearing Areas (Acquisition and Development) Act, 1957 could not be ascertained and sanctioned and hence not provided for.

12.0 CHARGE ON CURRENT ASSETS (NOTE – 15 AND NOTE – 16)

A charge has been created for ₹ 165.00 crore on Book-debts and Inventories for securing working capital facility from CIL's Consortium Banks as per joint deed of hypothecation-dated 16.12.2003 and subsequent Company Board Resolution dated 23.08.2011.

13.0 RETIREMENT BENEFITS

13.1 Details of Actuarial liability/provision as on 31.03.2013 : (₹ In Crore)

Head	Opening Actuarial Liability/Provision as on 01.04.12	Incremental Liability/Provision for the year	Deposited/ Paid to MCL Group fund upto end of the year	Closing Actuarial Provision/Liability as on 31.03.13
Gratuity	597.89	22.84	597.89	22.84
Earned Leave	134.98	16.17		151.15
Half Pay Leave	35.51	0.88		36.39
Life Cover Scheme	5.58	0.45		6.03
Settlement Allowance -Executives	0.15	0.08		0.23
Settlement Allowance –Non-Executives	15.06	0.07		15.13
Gross Personal Accident	0.13	-		0.13
Leave Travel Concession	20.82	8.98		29.80
Medical Benefits	3.27	37.82		41.09
Compensation to Dependants in case of mine accidental death	14.67	0.39		15.06
Total	828.06	87.68	597.89	317.85

Summary of actuarial assumptions are as under :

	As at 31-03-2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 per Thousand P.A. 6 above age 45 3 between 29 & 45 1 below age 29
Discount Rate	8.00 %
Inflation Rate	6.25 %
Return on Assets	8.00
Remaining Working Life	12
Formula Used	Projected Unit Credit Method

13.2 Contribution to Provident Fund and other fund (Note 24) of ₹ 161.42 crore includes ₹ 3.89 crore (previous year ₹ 4.02 crore) paid to Ex-NCDC employees which have been charged to Revenue on cash basis under Employees Benefit Expenses Note -24 .

13.3 Pension management in respect of employees of the Group, is done by Coal Mines Provident Fund Authority (an independent body).

14.0 TRANSACTIONS RELATING TO HOLDING COMPANY

14.1 Service charges of CIL as per Note -31 amounting to ₹ 60.62 crore including service tax (for previous year ended on 31.03.2012 ₹ 56.87 crore) is levied by the Holding Company towards rendering various services like procurement, foreign contract, marketing and Corporate Service, based on agreement entered on 1st July, 1998 as per intimation from Holding company.

14.2 Training expenses (Note 31- Other expenditure) includes an amount to ₹ 5.39 crore (for previous ended on 31.03.2012 ₹ 5.16 crore) levied by the Holding Company on account of payment to Indian Institute of Coal Management.

14.3 As per CIL Board resolution in its 214th meeting held on 12.2.2004, the Group has charged ₹ 67.18 crore (for previous ended on 31.03.2012 ₹ 61.51 crore) on despatch of coal towards Rehabilitation Fund set up by Coal India Limited.

15.0 EXCHANGE RATE FLUCTUATION

15.1 Consequent upon fluctuation in the value of foreign currency loans, the rupee liability of the Group in respect of such loans has decreased by ₹ 0.22 crore (as at 31.03.2012, increased by ₹ 19.07 crore). This decrease has been adjusted in the carrying cost of the fixed assets to the extent of decrease of ₹ 0.13 crore (as at 31.03.2012 increase by ₹ 8.30 crore) and the balance of ₹ 0.09 crore (as at 31.03.2012, loss for ₹ 10.77 crore) has been shown as "Gain on Foreign Exchange Transaction" in Note -21.

16.0 COMPLIANCE OF ACCOUNTING STANDARDS

16.1 **AS-12: Accounting for Government Grants** : The Group has recognized ₹ 0.55 crore (Note - 21) (for previous ended on 31.03.2012 ₹ 0.29 crore) as Income from Stowing and Protective Subsidy and ₹ 12.46 crore of CCDA grant has been deducted from Long term advance capital (Note -12) .

16.2 **AS-15 : Accounting for Employee Benefits** : The Group has determined the liability for employee benefits as at 31.03.2013 in accordance with the revised AS 15 -Employee benefits issued by ICAI .

The following disclosures have been made in accordance with AS-15 (Revised) pertaining to gratuity (funded plan).

Table showing changes in present value of Obligations : (₹ in crore)

Particulars	As at 31.03.2013
Present Value of Obligation at Beginning of year	597.89
Acquisition Adjustment	0.00
Interest Cost	46.13
Past Service Cost	0.00
Current Service Cost	32.38
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	42.58
Actuarial gain/loss on Obligations	-2.91
Present Value of Obligation at end of Year	630.91

Table showing changes in fair value of Plan Assets : (₹ in crore)

Particulars	As at 31.03.2013
Fair Value of Plan Asset At Beginning of year	473.92
Acquisition Adjustmen	0.00
Expected Return on Plan Asset	37.91
Contributions	123.96
Benefits Paid	42.58
Actuarial gain/loss on Plan Asset	14.86
Fair Value of Plan Asset at End of year	608.07

Table showing Funded Status : (₹ in crore)

Particulars	As at 31.03.2013
Present Value of Plan at end Year	630.91
Fair Value of Plan at end Year	608.07
Funded Status	-22.84
Unrecognized actuarial gain/ at end of the year	0.00
Net Asset (Liability) Recognized in Balance Sheet	-22.84

Table showing expense recognized in Statement of Profit/Loss : (₹ in crore)

Particulars	As at 31.03.2013
Current Service Cost	32.38
Past Service Cost	0.00
Interest Cost	46.13
Expected Return on Plan Asset	37.91
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-17.76
Expense Recognized in of Profit/Loss	22.84

Table showing Actuarial Assumptions :

(₹ in crore)

Particulars	As at 31.03.2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 Per Thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8.00
Inflation Rate	6.25
Return on Asset	8.00
Remaining Working Life	12
Formula Used	Projected Unit Credit Method

Movements in the liability recognized in Balance Sheet:

(₹ in crore)

Particulars	As at 31.03.2013
Opening Net Liability	123.96
Expenses as above	22.84
Contributions	123.96
Closing Net Liability	22.84
Closing Fund/Provision at end of Year	630.91

The following disclosures has been made in accordance with AS-15 (Revised) pertaining to leave encashment benefits (EL/HPL) (unfunded plan).

Table showing changes in present value of Obligations :

(₹ in Crore)

Particulars	As at 31.03.2013
Present Value of Obligation at Beginning of year	170.49
Acquisition Adjustment	0.00
Interest Cost	13.33
Past Service Cost	0.00
Current Service Cost	53.87
Curtailment cost	0.00
Settlement Cost	0.00
Benefits Paid	7.74
Actuarial gain/loss on Obligations	-42.41
Present Value of Obligation at end of Year	187.54

Table showing expense recognized in Statement of Profit/Loss :

(₹ in Crore)

Particulars	As at 31.03.2013
Current Service Cost	53.87
Past Service Cost	0.00
Interest Cost	13.33
Expected Return on Plan Asset	0.00
Curtailment cost	0.00
Settlement Cost	0.00
Actuarial gain/loss recognized in the year	-42.41
Expense Recognized in Statement of Profit/Loss	24.79

Table showing Actuarial Assumptions :

(₹ in Crore)

Particulars	As at 31.03.2013
Mortality Table	LICI 1994-1996
Superannuation Age	60
Early Retirement & Disablement	10 Per Thousand P.A. 6 above age 45 3 between 29 and 45 1 below age 29
Discount Rate	8.00
Inflation Rate	6.25
Return on Asset	0.00
Remaining Working Life	12
Formula Used	Projected Unit Credit Method

Movements in the liability recognized in Balance Sheet :

(₹ in Crore)

Particulars	As at 31.03.2013
Opening Net Liability	0.00
Expenses as above	24.79
Contributions	0.00
Closing Net Liability	24.79
Closing Fund/Provision at end of Year	187.54

Note as per Appendix – B of AS–15 (Revised 2005) :

As the scheme is unfunded charges to Profit/Loss Account has been based on following assumptions :

- (1) Previous obligation was provided for at last accounting date
- (2) Benefit to exits has been paid to debit of above provision
- (3) Current obligation will be provided for at current accounting date

- 16.3 **AS-16: Borrowing Cost** - There are no qualifying assets for which interest has been borne by the Group, as such no borrowing cost has been capitalized.
- 16.4 **AS-17: Segment Reporting** - The Group is primarily engaged in a single segment business of production and sale of coal. There is no reportable primary segment identifiable in accordance with AS-17.
- 16.5 **AS -18 Related party disclosures** - In view of exemption granted to state controlled enterprises as regards related party relationship with other state controlled enterprises and transactions with such enterprises , no disclosure under AS 18 is required.
- 16.6 **AS-20: Earning per share** - The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The computation of EPS is set out below:

Particulars	Current year ended on 31.03.2013	Previous year ended on 31.03.2012
Profit after tax (₹ in crore)	4212.44	3709.51
Profit attributable to ordinary shareholders. (₹ in crore)	4212.44	3709.51
No. of Ordinary Shares for basic and diluted EPS (Nos.)	1864009	1864009
Nominal value of Ordinary Shares (₹)	1000	1000
Basic & Diluted Earning per ordinary Share (₹)	22598.82	19900.71

- 16.7 **AS – 21 : Investments in subsidiaries** : Consolidated Financial Statements have been prepared by the management in accordance with the requirement of Accounting Standard - 21 - Consolidated Financial Statement issued by ICAI. The details of minority interest are given hereunder :

Name of Subsidiary	Address	Stake in Parent Company	Date of incorporation	Minority interest as per Consolidated Accounts as at 31.3.2013 (₹ in crore)
1. MNH Shakti Ltd.	Anand Vihar, Burla Sambalpur	70%	16.07.2008	25.53
2. MJSJ Coal Ltd.	House No. 42, 1st Floor, Anand Nagar, Hakimpara, Angul	60%	13.08.2008	38.07
3. Mahanadi Basin Power Ltd.	Plot No.G-3, Mancheswar Railway Colony Bhubaneswar	100%	02.12.2011	—
TOTAL				63.60

All the subsidiaries are in development stage.

16.8 **AS – 27 : Financial Reporting of Interests in Joint Ventures :** On 8th January 2013 a joint venture company named Neelanchal Power transmission Company Pvt. Limited was incorporated by virtue of a joint venture agreement between the company and Odisha Power Transmission Corporation Ltd . Upto 31.03.2013, the Group has incurred ₹0.02 crore for miscellaneous expenses incidental for incorporation and the same has been included in claim receivables (Note -18). There is no investment in the joint venture company upto 31.03.2013.

16.9 **AS-28: Impairment of assets:**

In coal industry, fixed assets are classified under Major heads viz. Land, Buildings, Plant and Machinery, Exploration Boring and Development, in case of land and building , there is universally upward trend in valuation. Unless there is damage to buildings, there is no need to make any provision. Similarly in case of plant and machinery , there is no downward trend in price as per RBI index, hence no impairment unless asset is obsolete or damaged . However impairment is considered for old machinery meant for exclusive use in loss making underground mines. In coal industry, only prospecting, boring and development expenses can be prima facie considered to have been impaired in continuous loss making mines, provided there is no clear indication for its revival in near future.

A provision for ₹0.36 crore (for previous year ending on 31.03.2012 ₹0.56 crore) has been made during the year against other fixed assets (with no alternative use value) . Thus total cumulative provision for Impairment as at 31.03.2013 stands at ₹26.09 crore (as at 31.03.2012 ₹25.75 crore), after adjustment of ₹0.02 crore

16.10 **Accounting Standard 29:**

16.10.1As per guideline No 55011-01-2009-CPAM dt 27.08.2009 issued by Ministry of Coal, Government of India, the Group has made a provision during the current year for Mine Closure Expenses in respect of all operating mines based on mine closure plan prepared by Central Mine Planning & Design Institute Limited.

16.10.2Provision for Mine Closure Expenses Note-5 includes ₹5.54 crore on account of provision taken towards stowing and stabilization of unstable workings of Deulbera colliery after adjusting current year expenditure ₹1.18 crore against a comprehensive scheme of ₹9.44 crore (Excluding departmental salary and wages for ₹18.21 crore). As the stabilization of unstable workings of Deulbera Colliery through sand stowing is being carried out by existing departmental manpower of Deulbera Colliery, salaries and wages for ₹18.21 crore being part of the scheme has not been provided for.

16.10.3 Details of movements in provision in accordance with AS – 29 : (₹ In Crore)

Sl. No.	Particulars	Opening Balance As at 01.04.2012	Provision/addition during the Current Year	Paid/adjustment during the Current Year	Balance As at 31.03.2013
1.	Provision for Reclamation of Land	0.79	—	—	0.79
2.	OBR Adjustment	7066.53	1435.65	—	8502.18
3.	Provision for Taxation (including Wealth Tax)	1854.57	1964.83	1831.65	1987.75
4.	Provision for Dividend	1219.06	1028.93	1219.06	1028.93
5.	Mine Closure Plan	177.06	68.34	-1.18	244.22

ANNUAL REPORT 2012-13

6. Provision for Doubtful Debts	28.60	-7.58	—	21.02
7. Provision for Loans & Advances	3.36	-0.39	—	2.97
8. Provision for Capital Work-in-Progress	10.05	0.89	-0.06	10.88
9. Provision for Stores & Spares	13.46	0.81	—	14.27
10. Provision for Loss of Assets	0.23	—	—	0.23

17.0 ACCOUNTING FOR TAXES ON INCOME

17.1 For the current year, the Income Tax provision has been taken at ₹ 1964.72 crore (Previous year ended on 31.03.2012 ₹ 1823.70 crore). In addition, ₹ 0.11 crore has been provided for current wealth tax.

17.2 As per requirement of Accounting standard -22, there is a net deferred tax liability of ₹ 60.68 crore as at 31.03.2013 (as at 31.03.2012 Liability ₹ 35.36 crore). The Deferred tax liability/ assets comprises of tax effect of timing differences as detailed below :

	As on 31.03.2013 (₹ in crore)(liability)	As on 31.03.2012 (₹ in crore)(liability)
Deferred Tax Liability		
Excess of Net Block over written down value as per provisions of Income Tax Act, 1961	20.64	45.19
Deferred Tax Asset		
Provision for Doubtful Debts	3.49	5.95
Provision for Other Employee Benefits	—	—
Provision for Leave Encashment	51.02	47.54
Provision for Gratuity	11.79	44.00
Provision for Doubtful Advances	0.94	1.06
Disallowance u/s 43B of I. T. Act	15.35	15.38
Other Provision/Misc. items	-122.63	- 104.10
Sub Total	-40.04	9.83
Total	60.68	35.36
Net Deferred Tax liability	60.68	35.36

18.0 GENERAL

18.1 Confirmation of balances of Sundry Creditors, various advances and deposits received etc. has not been obtained in all cases.

18.2 The Group has not received any intimation from "suppliers." regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been furnished.

18.3 Previous year figures have been re-arranged, re-grouped wherever necessary, to make them more comparable with those of current year.

19.0 OTHERS**A. Directors' Remuneration***(₹ In Crore)*

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Salary	1.08	0.73
P. F.	0.10	0.08
Perquisites	0.02	0.01
TOTAL	1.20	0.82

Note :

- (i) Perquisites do not include value/charges for house rent/electrical energy, which has been recovered as per rules of the Group and value of free medical facilities in Group hospitals/dispensary.
- (ii) The Chairman-cum-Managing Director and full time Directors have the option to use the staff car for purposes other than official duty up to a ceiling of 750 Km per month, on payment at concessional rate, in accordance with the provisions of Government of India, Ministry of Finance, Bureau of Public Enterprises O.M. No.2 (18)/PC-64 dated 20.11.1964 as amended from time to time.

B. Imports*(₹ In Crore)*

C. I. F. Value of Imports	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(i) Raw Materials	Nil	Nil
(ii) Components and Spare Parts	2.96	Nil
(iii) Capital Goods	1.28	5.97

C. Expenditure in Foreign Currency*(₹ In Crore)*

	For the Year ended 31.03.2013	For the Year ended 31.03.2012
(i) Travelling	0.03	0.03
(ii) Commitment Charges	Nil	Nil
(iii) Interest	2.05	2.03
(iv) Others	Nil	Nil

D. Value of Imported/Indigenous Raw Materials, Stores & Spares and Components Consumed :

Particulars	For Current Year Ended 31.03.2013 Value (₹ in Crore)	Percentage	For the Previous Ended 31.03.2012 Value (₹ in Crore)	Percentage
Imported	0.10	0.02	6.09	1.21
Indigenous	555.65	99.98	496.58	98.79
Total	555.75	100.00	502.67	100.00

20.0 APEX OFFICE AND INTEREST CHARGES TO HOLDING GROUP

- 20.1 Apex office charges as levied by Holding Company has been allocated to revenue mines on the basis of coal production.
- 20.2 Interest on loans through Holding Company for procurement of specific assets has been accounted for as per terms of loan agreement and corresponding memos from them.

21.0 Revision of Schedule VI to the Companies Act 1956 (w.e.f. 01.04.2011)

Following the Gazette notification dated 30th March, 2011 the Schedule VI of the Companies Act, 1956 dealing with the format of Balance Sheet has modified and a format for Statement of Profit & Loss is introduced.

The format as per revised Schedule VI has been applied while preparing this accounts. Following the new guidelines of the revised format inter-alia, the following segregation have been made in the Balance Sheet.

Current Assets :

An asset has been classified as current when it satisfies any of the following criteria:-

It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle

It is held primarily for the purpose of being traded

It is expected to be realized within twelve month after the reporting date

It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Non-Current Assets :

All assets other than current assets are non-current assets.

Current Liabilities :

A liability has been classified as current when it satisfies any of the following criteria :

It is expected to be settled in the company's normal operating cycle

It is held primarily for the purpose of being traded

It is due to be settled within twelve month after the reporting date

The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Non-Current Liabilities :

All liabilities other than current liabilities are Non-Current Liabilities.

As there is no normal operating cycle, the same is considered to be 12 months period.

For and on behalf of Board of Directors

Sd/-
A.K. Singh
Company Secretary

Sd/-
D. D. Ghosh
General Manager (Finance)

Sd/-
K. Biswal
Director (Finance)

Sd/-
A. N. Sahay
Chairman-cum-Managing Director

As per our report of even date

For & On behalf of
PAMS & Associates,
Chartered Accountants

Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 55113)

Place: Burla
Date : 16.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013

	For the year ended on 31.03.2013 (₹ in Crore)	For the year ended on 31.03.2012 (₹ in Crore)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	6202.48	5463.69
Adjustment for :		
Depreciation & Impairment	175.46	255.07
Exchange Rate Fluctuation	(0.09)	10.77
OBR Adjustment	1435.65	1767.15
Interest / Dividend (Received)	(1531.84)	(1249.36)
Interest/Financial Charges (Paid)	4.97	5.38
Provision against Debtors/Inventories/Other CA/Loans & Advances etc.	194.63	249.00
Operating Profit before Working Capital Changes	6481.26	6501.70
Adjustments for :		
Changes in Inventories	85.03	(62.36)
Changes in Trade Receivables	(200.74)	(148.89)
Changes in Long Term/Non Current Loan & Advances/Assets	(93.83)	(37.92)
Changes in Short Term/Current Loans and Advances/Assets	(478.84)	(301.87)
Changes in Trade Payable/Current Liabilities/Long Term Liabilities	21.62	627.58
Cash Generated from Operations	5814.50	6578.24
Direct taxes paid	(2622.45)	(2269.43)
Cash Flow before Extraordinary Items	3192.05	4308.81
Extraordinary items	—	—
Net Cash from Operating Activities	3192.05	4308.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(465.46)	(456.71)
Short Term Deposit with CIL	(153.54)	(131.30)
Miscellaneous Receipts	—	—
Acquisition of Companies	—	—
Purchase of New Investments (Current/Non-Current)	(663.25)	(286.05)
Interest Received	1508.21	1247.10
Dividend from Mutual Funds Received(non-trade)	23.63	2.26
Net Cash used in Investing Activities	249.59	375.30

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013 (Contd..)

	For the year ended on 31.03.2013 (₹ in Crore)	For the year ended on 31.03.2012 (₹ in Crore)
C. CASH FLOW FROM FINANCING ACTIVITIES		
World Bank Loan through CIL	(22.05)	(0.76)
Deferred Credit Loan	(0.31)	0.05
Exchange Rate Fluctuation	0.09	(10.77)
Repayment of CIL Loan	—	—
Redemption of preference share capital	—	—
Interest and financial charges	(4.97)	(5.38)
Issue of Share Capital	10.00	30.00
Dividend paid	(2720.51)	(2176.56)
Net Cash used in Financing Activities	(2737.75)	(2163.42)
Net increase in Cash and Cash Equivalents	703.89	2520.69
Cash and cash equivalents as at beginning of the year	12441.25	9920.56
Cash and Cash Equivalents as at end of the period	13145.14	12441.25

The aforesaid statement is prepared on indirect method

The figures of the previous year have been reclassified to confirm to current year classification.

Note : Cash & Cash Equivalents as amounting to ₹ 184.24 crore (as at 31.03.2012 ₹ 184.55 crore) (refer para 7.0 of Additional Notes on Accounts) are not available for use by the Company.

For and on behalf of Board of Directors

Sd/- A.K. Singh Company Secretary	Sd/- D. D. Ghosh General Manager (Finance)	Sd/- K. Biswal Director (Finance)	Sd/- A. N. Sahay Chairman-cum-Managing Director
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As per our report of even date

Place: Burla
Date : 16.05.2013

For PAMS & Associates,
Chartered Accountants
Sd/-
(CA M P Mahapatra)
Partner
(Membership No. 55113)